



2018/19 FY

GKM DRAFT ANNUAL

REPORT

Volume I

Chapter 1



Chapter 1

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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD



Cllr Ngenisile W. Tekile

Introduction:

In compliance to Section 127 of the MFMA no 56 of 2003 and as an expression of commitment to public participation, service delivery, accountable government, Council presents this 01st Draft Annual Report 2018/2019.

Financial challenges still remains the same while revenue collection has declined significantly. This environment has brought about instability which manifested from labour unrest to community protest.

Key Policy Developments:

In line with the National Development Plan, the Provincial Development Plan, the Amathole Integrated Development Plan and other relevant Sectoral plans our Integrated Development Plan has been developed taking into account the stated plans but as well enriched through a consultative process with our communities, rate payers and other stakeholders. Central to it was the realisation that there was a need to focus on economic growth, sustainable development which would create jobs for our people. Agriculture and Tourism remained the most potential areas for development in the area. Great Kei Municipality is part

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of the District Agri-park and Council has already identified a suitable site for the development of a food production hub and feasibility study is underway.

Catalyst projects in the Oceans Economy have been identified to intensify coastal development to create sustainable jobs. The municipality has also developed the Small Town Revitalization Strategy with the intent to revamp the economic activities and investor tastes Qumrha, Kei Mouth, Morgan Bay and Chintsa. Technical expertise will be appointed through the appointment of service providers to develop strategies and business plans to financially support these programmes going forward.

Key Service Delivery Improvements:

As GKM in the 2018/19 FY we delivered Mzwini Community Hall as well two internal streets at Icwili Township, Tainton Village, Taiwan Village areas. The Municipality has spent 100% of its allocated MIG Funding as at end June 2019.

Public Participation:

Our Council view public participation is a cornerstone of any democracy as it enables the participation of communities and organised stakeholders in the matters of the municipality. The Council continues to engage communities on all matters of service delivery including matters that may have been raised by communities on their protests. Secondly the municipality continues to enhance and deepen democracy through ensuring that Ward Committees established function properly and effectively. The Council has also ensured that the ward committees have been empowered with relevant skills in order to ensure that they function appropriately.

Future Actions:

The municipality has noted the economic potential opportunities on various sectors within its jurisdiction and those include investing more on the Oceans Economy and need to boost the Coastal Economic development. Investing in the Oceans Economy may enable the previously disadvantages and local businesses opportunities of growth and development and that may contribute hugely in pushing back the frontiers of poverty. A need to develop an implementation plan in respect to Small Town Revitalization projects will go a long way in changing the lives of the citizens of Great Kei. The municipality must strive to enter into strategic partnerships, twinning arrangements with cities/ municipalities having common developmental features and goals. This would go a long way as those institutions will create a dialogue to share developmental approaches and assistances.

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Conclusion:

The three consecutively unqualified audit outcomes have pointed that this municipality is in good and capable hands let alone the current financial health situation which may be something of the past should all parties, role players collectively and cohesively work together.

Yours in good governance,

The Honorable Mayor

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Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



As the Municipal Manager, I am honoured to present the Annual Report for the year ending 2018/2019. The report has been compiled in line with the following prescripts, the Municipal Finance Management Act, No 56 of 2003, Municipal Systems Act No 32 Of 2000, as well the National Treasury Circular No 63. The report covers the annual performance of Great Kei Municipality for the year ending as at 30 June 2019.

The report allows us to reflect on how the municipality performed and responded to its mandate as a sphere of government charged with the responsibility to deliver services to communities in a sustainable manner so that ultimately we improve the quality of life for our citizens. In this report account shall therefore be given to the progress made by the municipality in its endeavour to fulfil its strategic objectives as expressed in its IDP, Budget and SDBIP,

The year under review was fraught with a number of challenges including the economic down turn that engulfed our country. Our municipality, Great Kei was not immune from the national as well international economic challenges as numbers of unemployment continue to grow resulting to severe loss of our revenue. Indigence grew at an alarming rate and this affected negatively the budget of the municipality.

Notwithstanding all the above stated challenges the municipality in the previous financial years has managed to stabilize the financial management and introduced financial controls which had resulted into receiving Unqualified Audit Opinion consecutively for two consecutive years. Owing to economic down turn that negatively affected our country including the political and administrative instability within the institution the financial health position of the municipality was severely affected.

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These achievements would not be realized had the municipality not received assistance from Sector departments viz. Department of Cooperative Government and Traditional Affairs (Cogta) as well as Department of Treasury and lastly our District Municipality (ADM).

It must however be noted that a sizeable amount of work had been achieved by the municipality but a lot more is required to improve the standard of living for our citizens. The municipality has to explore its potential on identified revenue streams as that will improve financial position of the municipality.

On behalf of administration, I would like to express the words of gratitude to the municipal leadership, its decisiveness and collective staff for their focus despite current economic challenges.

I wish to end with a saying that “ the secret of success is to do things uncommonly well”

I thank you

**The Municipal Manager
Lawrence N Mambila**

**30/08/2019
Date**

T

1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 MUNICIPAL POPULATION AND ENVIRONMENTAL OVERVIEW

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometers (km²). The Municipality's Headquarters are in Qumrha; and satellite offices in Haga with 5 employees; Kei Mouth with 5 employees and Chintsa with 5 employees. Municipal Services offered in Satellite offices are as follows:

- a) Refuse Removal
- b) Grass Cutting and Clearing of Bushes
- c) Roads Maintenance services

The GKM is bounded in the East by the Great Kei River and Mnquma Local Municipality, by the coastline between Kwelera and Kei Mouth in the South East, by the Buffalo City Municipality in the West and the Amahlathi Municipality, which is situated to the North.

Population of the municipality is distributed into seven wards, which are the amalgamation of previously different communities and municipal entities, including Qumrha, Kei Mouth, Morgan Bay, Haga-Haga, Chintsa East, Chintsa West and Mooiplaas.

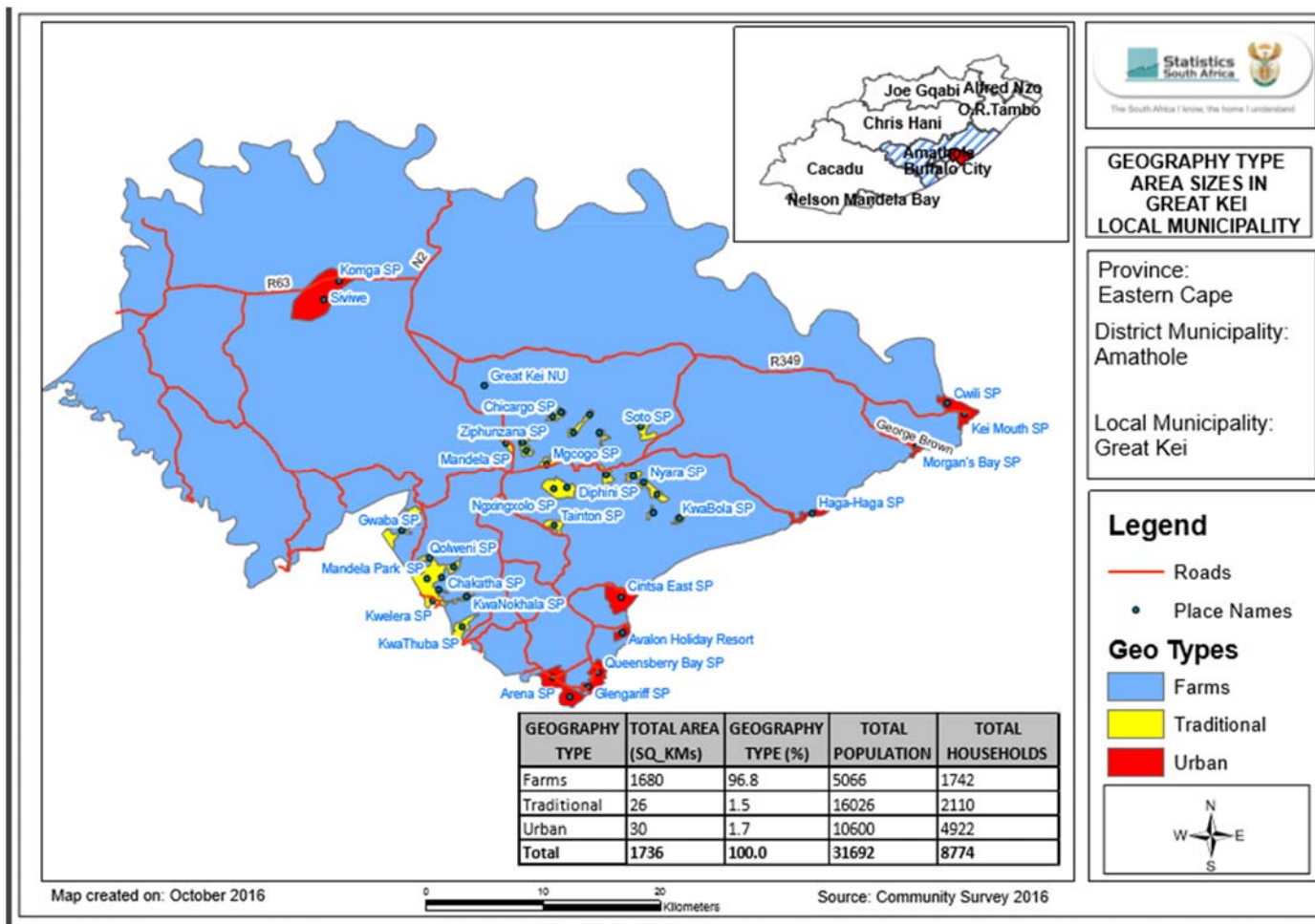
Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road N6 connection between Qumrha and Stutterheim and the connection between Qumrha and King William's town and Bhisho is via the R63.

A graphical representation of the Great Kei Local Municipality is illustrated by in Figure 1 below

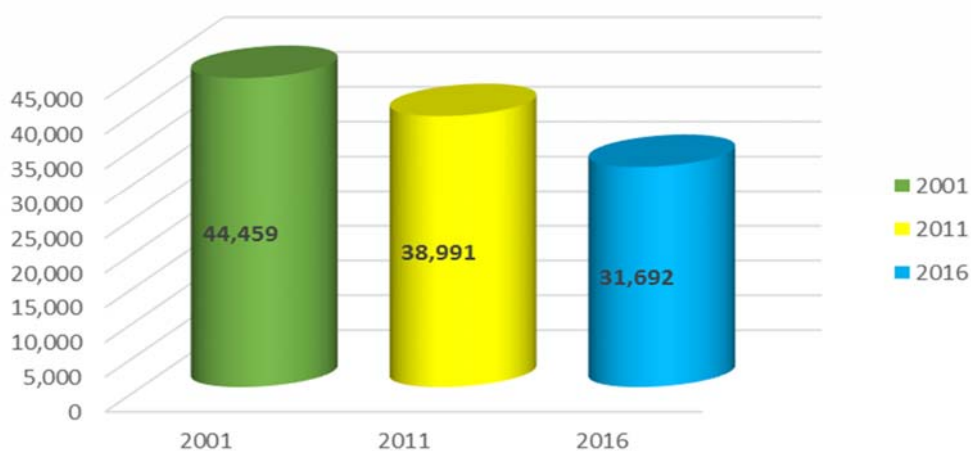
Figure 1- Map of Great Kei Local Municipal Area:

The below figure 3 , extracted from Statistic South Africa illustrates the spreading of the Great Kei Municipality, which is proportionally distributed according to the 7 wards. Over the years there has been a significant decline of the population, where in 2001 the overall population was 44 459, but significantly declined to 38 991 in 2011. The redetermination of wards has further caused another decline in population to be 31 692 as of August 2016.

Chapter 1



Population 2001-2016



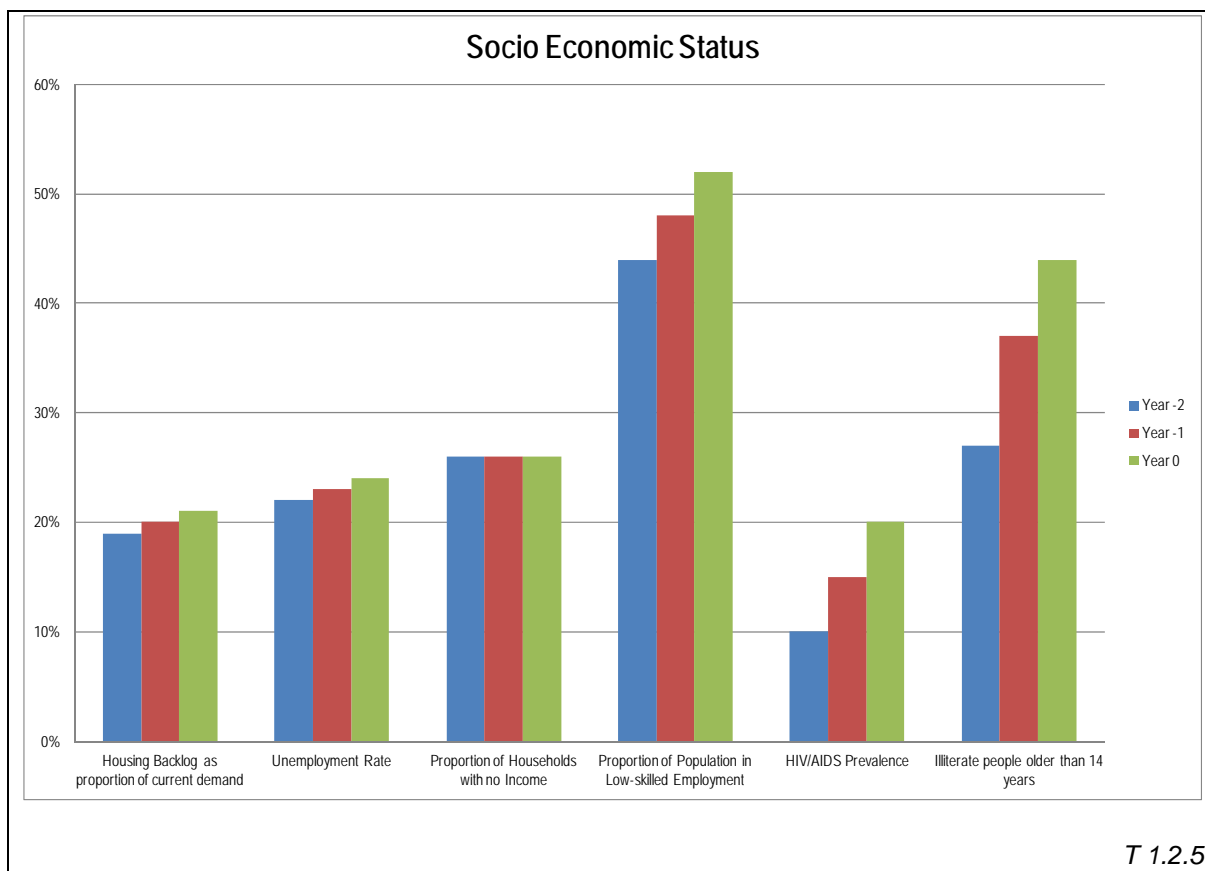
Chapter 1

2: Population in 2001 and 2016:

| Population Details | | | |
|--------------------|--------|----------|---------|
| Age | 2011 | | |
| | Male % | Female % | Total % |
| Age: 0-4 | 5.6 | 5.5 | 11.1 |
| Age: 5-9 | 4.9 | 4.5 | 9.4 |
| Age: 10-19 | 9.4 | 8.6 | 18.0 |
| Age: 20-29 | 8.2 | 7.4 | 15.6 |
| Age: 30-39 | 5.6 | 6.4 | 12.0 |
| Age: 40-49 | 4.9 | 5.7 | 10.6 |
| Age: 50-59 | 2.3 | 2.3 | 4.6 |
| Age: 60-69 | 2.3 | 2.3 | 4.6 |
| Age: 70+ | 2.3 | 4.1 | 6.4 |
| Source: Stats SA | | | T1.2.2 |

| Socio Economic Status | | | | | | |
|-----------------------|---|-------------------|---|--|---------------------|---------------------------------------|
| Year | Housing Backlog as proportion of current demand | Unemployment Rate | Proportion of Households with no Income | Proportion of Population in Low-skilled Employment | HIV/AIDS Prevalence | Illiterate people older than 14 years |
| Year -2 | 19% | 22% | 26% | 44% | 10% | 27% |
| Year -1 | 20% | 23% | 26% | 48% | 15% | 37% |
| Year 0 | 21% | 24% | 26% | 52% | 20% | 44% |
| T 1.2.4 | | | | | | |

Chapter 1



| Natural resources | | |
|-------------------------|---|--|
| Major natural resources | Relevance to the community | |
| Sand | The municipality has a small mining sector based on sand mining. The construction, trade and transport sectors have had positive growth this could have a positive effect on the local municipality as these sectors employ semi-skilled workers. | |
| Granite | Mining activity is centered on granite mining which is being undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. This initiative has already had some positive results as a number of employment opportunities have happened. More beneficiation on value chain processes shall occur in the form of more employment opportunities as well business opportunities for the local community. | |
| | T 1.2.7 | |

Chapter 1

COMMENT ON BACKGROUND DATA:

Refer to the table above

T 1.2.8

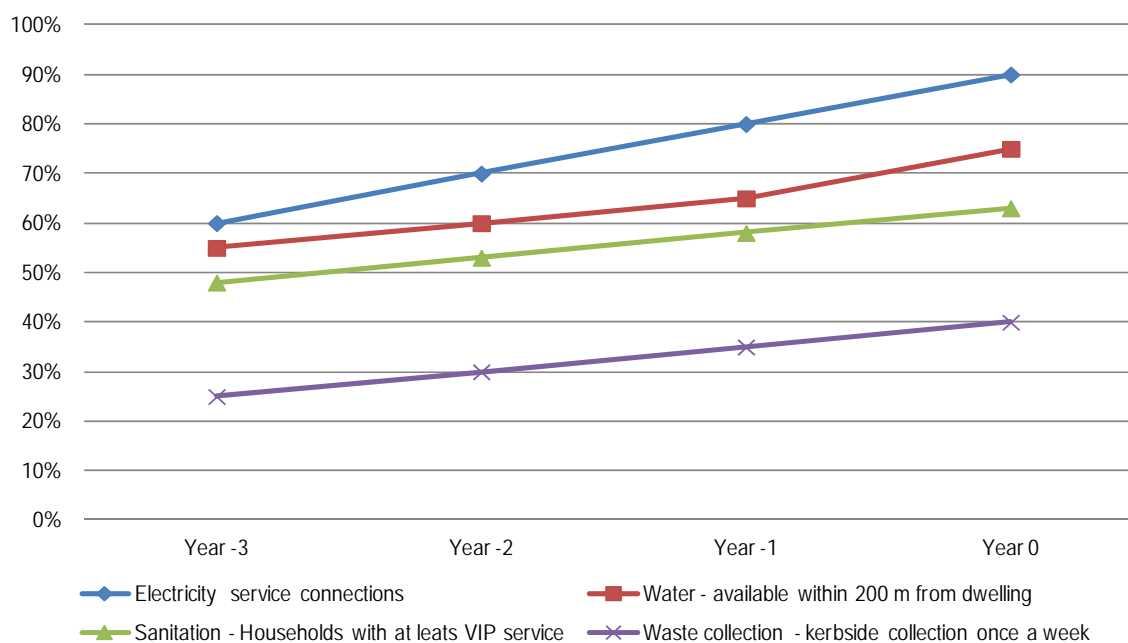
1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality had seventeen (17) targets, out of these nine (8) achieved and nine (9) not achieved due to number of reasons. The indigent policy is implemented to all registered indigents. For a detailed performance report refer to Component K.

T 1.3.1

Proportion of households with access to basic services



Chapter 1

T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Great Kei Municipality is a Grade 2 municipality and for the current year has been experiencing financial problems in terms of meeting its financial obligation. The municipal revenue base consists of rates and services as well as grants and subsidies from National Treasury. Service delivery has been affected by municipal shut down because of offices that were burnt down and this was followed by staff strike action for two full months. This also negatively affected the collection rate of the municipality. For the past 2 years the municipality maintained an unqualified audit opinion but the financial standing of the municipality has dropped drastically in 2017/18 and that has resulted in non-payment of salaries for the months of May and June. The municipality has developed and implemented a financial recovery plan in order to try and improve its financial status. The municipality has also strengthened its internal controls and close monitoring of cash flow projections on a monthly basis.

T 1.4.1

| Financial Overview: Year 0 | | | |
|----------------------------|-----------------|-------------------|---------|
| | | | R' 000 |
| Details | Original budget | Adjustment Budget | Actual |
| Income: | | | |
| Grants | 54407 | 54337 | 59177 |
| Taxes, Levies and tariffs | 30230 | 41969 | 38414 |
| Other | 40120 | 23370 | 9308 |
| Sub Total | 124757 | 119676 | 106899 |
| Less: Expenditure | 127043 | 126644 | 128065 |
| Net Total* | -2286 | -6968 | -21166 |
| * Note: surplus/(defecit) | | | T 1.4.2 |

| Operating Ratios | |
|-----------------------|-------|
| Detail | % |
| Employee Cost | 42,7% |
| Repairs & Maintenance | 1% |

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| | |
|------------------------------|----|
| Finance Charges & Impairment | 1% |
| <i>T 1.4.3</i> | |

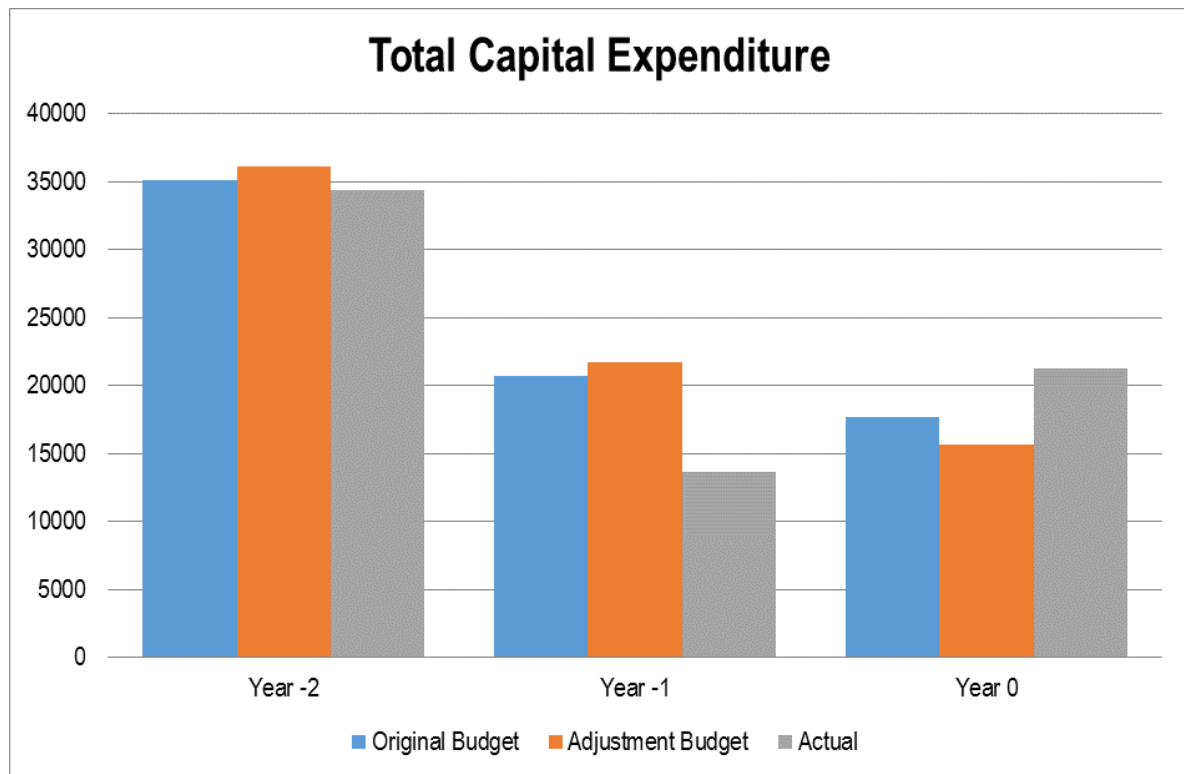
COMMENT ON OPERATING RATIOS:

The overall percentage salary bill of the Municipality is 42, 7% for the current financial year. This is due to high salary bill compared to other operating expenditure and this percentage is slightly above the Treasury norms. Repairs and maintenance is below the norm due of limited funds and this causes the assets to depreciate in value at a faster rate because these are not repaired.

T 1.4.3

| Total Capital Expenditure: Year -2 to Year 0 | | | |
|--|---------|---------|----------------|
| | | | R'000 |
| Detail | Year -2 | Year -1 | Year 0 |
| Original Budget | 35152 | 20675 | 17714 |
| Adjustment Budget | 36149 | 21719 | 15614 |
| Actual | 34372 | 13641 | 21277 |
| | | | <i>T 1.4.4</i> |

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T 1.4.5

COMMENT ON CAPITAL EXPENDITURE:

The Municipality has spent 100% of its capital budget for 2018/19. There are no unspent monies for the year under review.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 1

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Refer to Chapter 4 of the report

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The municipality received qualified audit opinion in 2014/15 FY and Unqualified Audit opinion 2015/16. The municipality has maintained Unqualified Audit opinion for 2016/17 FY and as well for 2017/18 FY. Unfortunately the municipality has regressed in 2018/2019 FY by obtaining a Disclaimer. For comprehensive Auditor General's report see the report on Chapter 6 of this document.

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Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

| No | Activity | Timeframe |
|----|--|---------------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalize the 4th quarter Report for previous financial year | |
| 4 | Submit draft year 0 Annual Report to Internal Audit and Auditor-General | |
| 5 | Municipal entities submit draft annual reports to MM | |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report | |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September – October |
| 12 | Municipalities receive and start to address the Auditor General's comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 14 | Audited Annual Report is made public and representation is invited | |
| 15 | Oversight Committee assesses Annual Report | |
| 16 | Council adopts Oversight report | December |
| 17 | Oversight report is made public | |
| 18 | Oversight report is submitted to relevant provincial councils | |
| 19 | Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input | January |

T 1.7.1

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

The GKM annual report is aligned to the annual report process as regulated in circular 63 of MFMA. The process started in the beginning of July 2018, this was to allow more time for the departments to report accurate and credible information. The document is also aligned with the IDP, Budget and Performance Management System. The annual performance report of the municipality also forms part of the annual report as legislated.

Link between IDP, PMS and Budget

Developed municipal objectives of the IDP had been translated into service delivery targets for the municipality and departmental senior managers cascaded those objectives down to lower level. The municipality then developed SDBIP as a monitoring tool of the objectives set out in the IDP. After the situational analysis the municipality prioritized according to the budget it had. Annual budget of a municipality is output-driven and that the intended outcomes are in line with the service delivery objectives outlined in the IDP. Thus, a sound municipal budget is one which sensibly allocates realistically expected resources to the achievement of defined objectives identified as priorities in the approved IDP. The operating and capital budgets must be aligned with the objectives and strategies contained in the IDP.

The GKM has fully complied with all the required time frames of the annual report.

T 1.7.1.1

Chapter 3

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

A successful political-administrative interface within the public service is at the core of good public sector governance and effectiveness, which in turn is critical for improved public service delivery and the achievement of national development goals. Great Kei Municipality was established in accordance to section (12) of the local government Structures Act 117 of 1998, and as category B Municipality. Great Kei Council is a plenary executive system combined with a ward participatory system as provided in the section (9) of the same act.

In essence Great Kei has got a political arm championed by the Speaker who is also a Mayor and the administrative arm where the Municipal Manager is the head.

The GKM is committed to good governance and clean administration. This was evident in both 2015/16, 2016/17 and 2017/18 audit outcomes where the municipality achieved unqualified audit opinion for the third consecutive times since its inception. The municipality also received an award in good governance/ clean administration for 2015/16 and 2016/17 financial years consecutively.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The GKM political and administration governance has been fairly stable with some challenges that emerged towards the end of the financial year thus resulting into a protracted strike by employees. There are cordial relations between the council and the administration. The Oversight committees are functional and sit as documented in the council calendar and process plan.

The municipality adheres to its council calendar and all the plans of the council

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The legislative arm of Council is headed by the Speaker of Council, who presides over Council meetings. The Speaker is responsible for coordinating and managing the functioning and development of Section 79 committees and Councillor Affairs. In addition, the Speaker fulfils the role of building democracy; and managing community participation in local government, particularly through the ward committees, by ensuring that they function effectively. The Speaker has to ensure public consultation, involvement and

Chapter 3

participation in the affairs of the Municipality. The Speaker has been supported by the Chief Whip of Council, Cllr. Ndileka Khantshashe, whose role has been to maintain cohesion and unity within the governing party and to build relationships with other political parties represented in Council.









Other tasks included:

- Ensuring that each of the political parties are properly represented on the various committees;
- Maintaining sound relations between the various political parties; and
- Attending to disputes between political parties.





The Chief Whip was further responsible for enhancing the maintenance of sound relations and speedy resolution of disputes among various represented political parties.

Great Kei Municipality does have both the Audit Committee and the Oversight Committee that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee (or some other stated committee) on the Annual Report. However Great Kei Municipal Oversight committee is made up of only Councillors, with the specific purpose of providing Great Kei Council with comments and recommendations on the Annual Report.

T 2.1.1

| COUNCIL | | | | |
|--------------------------------|---------------------------------|--------|---|----------|
| Name of councilor | Capacity | Gender | Political Party | Ward/ PR |
| N.W. TEKILE | SPEAKER/MAYOR | MALE |  | 3 |
| N. KANTSHASHE-TILDINI | WARD COUNCILLOR [CHIEF WHIP] | FEMALE |  | 5 |
| ZOLA TSHALI | WARD COUNCILLOR | MALE |  | 7 |
| WEAVER SIRQANA | WARD COUNCILLOR | MALE |  | 6 |
| MZAMO NJEKANYE | WARD COUNCILOR | MALE |  | 4 |
| NTOMBIZANELE PRINCESS MGEMA | PR COUNCILOR | FEMALE |  | 7 |
| NOMONDE DYANI | PR COUNCILLOR | FEMALE |  | 3 |
| L.MHLONTLO | WARD COUNCILLOR | FEMALE |  | 3 |

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| COUNCIL | | | | |
|----------------------|----------------------|--------|---|----------|
| Name of councilor | Capacity | Gender | Political Party | Ward/ PR |
| LUNGA PLIKA | PARTY REPRESENTATIVE | MALE |  | 5 |
| SHARNE MURIEL JACOBS | PARTY REPRESENTATIVE | FEMALE |  | 1 |
| BEV WOOD | WARD COUNCILLOR | FEMALE |  | 1 |
| T NDOLOSE | PARTY REPRESENTATIVE | MALE |  | 7 |
| Z NZUZO | WARD COUNCILLOR | MALE | Independent | 2 |
| | | | | T2.1.2 |

A Picture of Great Kei Municipality Councillors for 2017/18 FY

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POLITICAL DECISION-TAKING

Great Kei Municipality is the category B and a plenary executive system combined with ward participatory system, as provided for in the Local Government Municipal Structures Act No.117 of 1998, Section 9. Therefore all political decision are collectively taken by Council which has a both legislative and executive authority for this type of Municipality. The percentage of implemented Council Resolution is (93%), against 99 decisions taken and other were partially achieved and around issues:

Roads and Storm-water
Electricity
Housing

During 20 November 2018 Great Kei Municipality held By-Elections in Ward 4, 6 & 7, this was due to the fact that about 6 ANC Councillors resigned their seats, and amongst the 6 three were Ward Councillors for Wards 4,6 & 7, and these being following:

| | |
|----------------------------------|---|
| Cllr. Nonkosinathi Vereza Mevana | – Ward 4 replaced by Cllr. Mzamo Njekanye |
| Cllr. Linda Tonze | – Ward 6 replaced by Cllr. Weaver Sinqana |
| Cllr. Themba Gqomorphoshe | – Ward 7 replaced by Cllr. Zola Tshali |
| PR Cllr. Loyiso Tshetsha | - Replaced by Cllr. Ngenisile Tekile |
| PR Cllr. Luleka Ndabambi | - Replaced by Cllr. Nomonde Dyani |
| PR Cllr. Welile Ndoro | - Replaced by Cllr. Lunga Plika |

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The role of public administration in governance is a continuing topic of discussion and debate. The current worldwide reassessment of the functions of the State and of public officials (politicians) and civil servants arises from two major sources, one is globalization and its impacts on what governments must do to adapt and respond to rapidly changing international economic, social, political and technological trends; the other is increasing dissatisfaction among citizens in many countries, including South Africa with the functions of government and the services that public administrations provide.

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The Municipal Council of Great Kei Municipality is obliged by relevant Local government prescripts to appoint a person as a Municipal Manager in terms of Section 54A of the Municipal Systems Act 32 of 2000, this person is of course the head of administration and the Accounting Officer. The role of the Municipal Manager is primarily threefold in nature, namely:--

- Performs procedural duties as re-political structure, such as to call first council meeting after the end of council terms, as the Municipal Electoral Officer with IEC.
- Heads the Administration by also ensuring that the administration of the affairs of the municipality are governed by the democratic values and principles enshrined in the Constitution of the Republic of South Africa.
- The Accounting Officer (Municipal Manager) is accountable to Council, in that one should ensure that Great Kei Municipality is broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.




Great Kei Municipality has four Directorate and the Office of the accounting officer that being the following:

- Corporate Services Directorate
- Budget and Treasury Office
- Strategic Services/ Municipal Manager's Office
- Technical & Community Services

All these Directorates are headed by Directors or Senior Managers directly accountable to the Municipal Manager, as per the provision of the Municipal Systems Act. Each Director has his or her performance agreement entered into with the Municipal Manager. These contract provides terms of how these Managers work with the Accounting Officer.

T 2.2.1

Chapter 3

| PHOTO | TOP ADMINISTRATIVE STRUCTURE | FUNCTION/S |
|---|---|---|
|  | MUNICIPAL MANAGER Mr. Lawrence Mambila | The Municipal Manager is a key role player in the functioning of the municipality. She acts not only as a communication channel between The Council and community, but also as an accounting officer and head of Administration of the municipality. |
| | Acting CFO : Ms. Nomaphelo San | <ul style="list-style-type: none"> ▪ Budget & Treasury ▪ Supply Chain Management ▪ Revenue Management ▪ Creditors & Expenditure ▪ Valuation ▪ Asset Management |
|  | DIRECTOR: Technical and Community Services Director: Ms. Olwethu Kwababana | <ul style="list-style-type: none"> ▪ Roads & Storm-water Services ▪ Town Planning Services ▪ Building Control & Maintenance ▪ Environmental Management ▪ Electricity & Project Management ▪ Parks & Cemeteries Management |
| | DIRECTOR: Acting Director Corporate Services Director: Mrs Nokubulela Mpontshane [Seconded by ADM] | <ul style="list-style-type: none"> • Develops strategies for the directorate • Develops and manage HRM of the directorate • Provide an on job support |
|  | DIRECTOR: STRATEGIC SERVICES Director: Mzimasi Mtalo [On Precautionary Suspension] | <ul style="list-style-type: none"> ✓ Develops strategic objectives for the directorate ✓ Co-ordinate IDP and PMS within the municipality ✓ Compiles budget and inputs into the revenue ✓ Facilitate development and monitoring of IDP and PMS |
| Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57. | | |
| | | |
| T2.2.2 | | |

Chapter 3

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of chapter 4 of Local Government: Municipal Systems Act, No.32 of 2000, (1) a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-encourage, and create conditions for, the local community to participate in the affairs of the municipality.

The IDP, PMS and Budget preparation process requires an extensive consultation and participation of communities, all role players and key stakeholders in order to achieve shared understanding of the municipal development and alignment. Although municipalities are expected to establish participation structures, it will however be critical to consider utilizing existing arrangements, and adapt them if necessary, and avoid duplication of mechanisms.

The GKM has effective and efficient operational structures such as, IDP, PMS and Budget Representative Forum, IDP, PMS and Budget Steering Committee, Wart-Committees, IGR Structures.

GKM has since established the IGR Clusters such as the following:

- Good Governance & Public Participation
- LED Cluster
- Infrastructure & Service Delivery Cluster
- Institutional Transformation & Organizational Development
- Financial Viability Cluster

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality is participating into National Intergovernmental Structures, through national institute of auditors and COGTA programs such as capacity building workshops organized by COGTA. The benefit to that effect is major when it comes to capacity building of municipal officials as it is general knowledge that Great Kei is lacking in other areas of skills.

Our internal audit is registered with the national institute of auditors and the municipality has set aside a budget to pay for registration and that forum is assisting in terms of capacitating our internal audit unit. The support that we are getting from national forums is mostly on capacity building not necessary injection of financial resources.

T 2.3.1

Chapter 3

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Intergovernmental Structures are key in terms of assisting the municipality general and in particular on service delivery issues and other related issues raised through Presidential Hotline.

The municipality is participating in Provincial Munich and Provincial IDP Assessments. The municipality is also participating in provincial communication structure.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Amatole District Municipality established its municipal entity, ASPIRE, with a purpose to lobby funding and facilitate economic development within its jurisdiction. This entity is playing a critical role on matters of local development within the municipality i.e. local tourism and Local economic development.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality is participating in District IDP/PMS and Budget Representatives Forums also the municipality form part of the District IDP planning and coordination forum which normally seats once a quarter.

Great Kei is also participating in a District Mayoral DIMAFO which is also seating once a quarter, there is also District Communication forum and District IGR (Intergovernmental Forum) which also seats once a quarter organized by a district municipality. There is also a district Chief Financial Officers forum which also assist in addressing issues of audit by Auditor General and other finance related matters such as GRAP compliance and MFMA calendar implementation and compliance. We participate in many District Forums such as District Communication Forum, District Engineering Forum, District IDP Forum, District Speakers Forum, District LED Forum, Finance Forum, MM's Forum etc.

There is also a district agricultural stakeholder forum and other related forums of the district. These district forums assist in terms of alignment of programs which ultimately deter duplication of services. These forums also assist in information sharing and capacity building.

T 2.3.4

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

The preparation, implementation and review of the IDP;
Establishment, implementation and review of the performance management system;
Monitoring and review of the performance, including the outcomes and impact of such Performance; and the preparation of the municipal budget

During the 2018/19 financial year communities were engaged through road shows/ mayor's programs, IDP/PMS and budget representative forum meetings and ward meetings. Ward Based Development Planning and WARROOMS

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

GKM has established a Communication Unit which is not fully fledged because it has only the Communication Officer and an Intern. The Unit is responsible for the production of Local Newsletters, publication of Municipal Notices etc. GKM has an adopted Communication Policy and Strategy in place.

The public communication is taking place with stakeholders through the municipal communication policy. In terms of the IDP/PMS and Budget forums stakeholders are partaking including sector departments.

The following are the stakeholders which form part of our communication and participation forums.

- Councilors;
- Ward Committees;
- WARROOMS
- GKM Local Home Affairs Stakeholder Forum
- GKM Disability Forum
- GKM Youth Council

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- GKM Sport Council
- GKM Agricultural Forum
- GKM LED Forum
- GKM IDP/PMS and Budget Rep Forum
- GKM IGR Forum
- GKM SPU Forum
- Community Development Workers
- Community - based organizations;
- Community Safety Forum
- Advocates for unorganized groups
- Civil society
- Business People
- Organized Labor
- Sector Departments

Furthermore following is the procedure of communication and consultation.

Participation Procedure

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Representative Forum to verify and add data
- District Municipality's Representative Forum to ensure that local priorities are adequately reflected in the District's IDP
- Use Ward Councilors to call meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise in local newspapers
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

Appropriate Language Use

English interpreted in Xhosa is used as a medium of communication during presentations. However in community meetings languages that are spoken in that community will also being used.

T 2.4.1

Chapter 3

WARD COMMITTEES

Establishment of Ward committees

Great Kei Municipality established ward committee and their operational plans to promote public participation as mandated by Local Government: Municipal Structures Act, No 117 of 1998 and Local Government: Municipal Systems Act, No 32 of 2000. GKM Policy on the Establishment of Ward Committees, Public Participation & Petitions Policy. Ward committees were elected during 2016/17 financial year and signed Code of Conduct for Ward Committees, which serves as a guiding tool on how they should conduct themselves. Subsequent to the resignation of 3 Ward Councillors which led to the dissolution of 30 Ward Committees and the Election of new 30 Ward Committees for Ward 4, 6 & 7.

COMMUNITY DEVELOPMENT WORKERS

Great Kei Municipality has 7 Wards and out of the 7 only 4 Ward have CDW's, and these being Ward 2, 4, 5 & 6. There are 3 Ward still with outstanding CDW's, these being Ward 1, 3 and 7. CDW's are located in the Office of the Mayor reporting to the Manager Office of the Mayor under Public Participation Unit. Hereunder are the current CDW's:

| NAME | SURNAME | WARD NUMBER |
|-------------|----------|-------------|
| Ms Zoliswa | Booi | 2 |
| Mr Mbulelo | Stompi | 4 |
| Ms Sindiswa | Tshijila | 5 |
| Ms Thozama | Nodada | 6 |

Ward committees are there to assist and support Ward Councilors by submitting the needs and priorities of the ward and provide feedback to communities for the issues affecting their wards. They submit reports on monthly basis to the municipality through Ward Councilors for all the issues raised from ward committee meetings. Ward committee meetings are attended by Community Development Workers in order to refer other issues to relevant spheres of government.

Critical issues raised from Great Kei Municipal wards;

- Access roads and internal street.

- Construction of RDP houses for all wards.

- Water and Sanitation e.g. Toilets that were not finished by ADM, portable toilets at Morgan's Bay, challenge of water at Qumran.

- Indigent register and alternative fuel for farm dwellers.

- Job creation and skills development.

Accountability

Chapter 3

Ward committees are organizing community meetings and report to Ward Councilors for feedback on matters affecting communities, do door to door campaigns and arrange interactions and meetings with communities on quarterly basis.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Effective public participation in the affairs of the municipality
Structured accountability
Effective intergovernmental relations
Transparent and democratic processes of the municipality to the community
Compliance with the law

T 2.4.3.1

| Public Meetings-2018/19 | | | | | | |
|-----------------------------------|-------------------|--|--|---------------------------------|----------------------------|--|
| Nature and purpose of the meeting | Date of the event | Number of participating Municipal Councilors | Number of participating Municipal Administration | Number of Communities Attending | Issue addressed (yes / no) | Date and manner of feedback given to communities |
| Special Council | 2018 July 31 | 6 | 9 | 43 | YES | Nomination of Councilors |
| Special Council | 2018 September 13 | 10 | 10 | 87 | YES | Speaker Nomination |
| Special Council | 2018 September 19 | 10 | 8 | 35 | YES | Draft IDP |
| Ordinary Council | 2018 October 31 | 9 | 9 | 19 | YES | EPWP appointments |
| Special Council | 2018 November 16 | 10 | 9 | 0 | YES | Confidential Items |
| Special Council | 2018 December 04 | 9 | 5 | 41 | YES | CWP Progress & Terms |
| Special Council | 2018 December 07 | 12 | 4 | 31 | YES | MSCOA Project |
| Ordinary Council | 2018 December 11 | 13 | 4 | 19 | YES | Council Recess |
| Special Council | 2019 January 14 | 10 | 8 | 21 | YES | Eskom Debt |
| Special Council | 2019 January 31 | 11 | 7 | 39 | YES | Annual Report 17/18 |
| Special Council | 2019 February 27 | 11 | 4 | 51 | YES | Adjustment Budget |

Chapter 3

| | | | | | | |
|-------------------------|---------------|----|---|----|-----|------------------------|
| Ordinary Council | 2019 March 29 | 13 | 5 | 43 | YES | Ward Committees |
| Special Council | 2019 April 10 | 11 | 4 | 0 | YES | Confidential Items |
| Special Council | 2019 April 26 | 12 | 3 | 0 | YES | Confidential Items |
| | | | | | | |
| Special Council | 2019 May 29 | 11 | 4 | 51 | YES | General Valuation Roll |
| Special Council | 2019 June 19 | 11 | 5 | 0 | YES | MTERF |
| | | | | | | T.2.4.3 |

Chapter 3

2.5 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|--|---------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 Municipal Systems Act 2000 | T 2.5.1 |

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Cooperative Governance and Intergovernmental Relations is one of the core mandates, which Great Kei is expected to exercise in collaboration with other stakeholders. Great Kei is complying with the principles of Cooperative Governance and Intergovernmental Relations through IDP forums and IGR forum that is sitting quarterly through the assistance of the District Municipality.

There are contributions that are taking place with relates to service delivery in particular service delivery areas which do not fall within the municipal mandate and those that fall within the municipal mandate but the municipality doesn't have adequate financial resources to respond to those areas raised by the communities.

T 2.6.0

Chapter 3

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Role of Risk Management

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality are pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk management ensures that management has a process in place to both set objectives and align the objectives with GKM's mission and vision and is consistent with GKM's risk tolerance. The setting of these objectives is usually completed during the, "Strategic planning and Budgetary process." GKM objectives can be viewed in the context of five categories:

1. Strategic Objectives- relating to high-level goals, aligned with and supporting GKM's mission and vision;
2. Operations- relating to effectiveness and efficiency of GKM's operations, including performance and service delivery goals. They vary based on management's choices about structure and performance;
3. Reporting- relating to the effectiveness of GKM's reporting. They include internal and external reporting and may involve financial or non-financial information;
4. Compliance- relating to GKM's compliance with applicable laws and regulations;
5. Safeguarding of assets- relating to prevention of loss of a GKM's assets or resources, whether through theft, waste or inefficiency. Where the safeguarding concept applies to the prevention or timely detection of unauthorized acquisition, use, or disposition of GKM's assets.

Internal audit role in risk management

The Internal Auditor's role in risk management includes: -
focusing on the significant risks, as identified by management, and auditing the risk management processes across the Municipality; providing assurance on the management of risk; providing active support and involvement in the risk management process; facilitating risk identification / assessment and educating line staff in risk management in internal control and the recommendations to improve them; to assess risk management matters of significant importance reported by the internal auditor; and to assess and confirm the policies, strategy and procedures for identifying areas of risk and the measures implemented to ensure adequate control of and security at such areas.

T 2.6.1

Chapter 3

The table below indicates the top five risks within the Municipality as identified by management:

| Risk Category | Risk Description | Root Causes |
|--|--|--|
| Human Resources / Information Integrity | Non-compliance to the legislative prescripts and institutional policies | <ul style="list-style-type: none"> ▪ Lack of awareness of legislation to comply; ▪ Unclear roles and responsibilities; ▪ Inadequate organisational structure, e.g. key positions funded not filled; ▪ Absence of a compliance officer; ▪ Leadership instability leads to lack of direction; ▪ Over regulation of local government; and ▪ Non alignment of internal policies to the relevant legislation and regulations. |
| Change Management / Organisational | Non alignment to the organisational structure to IDP objectives and budget | <ul style="list-style-type: none"> ▪ Organogram not timely approved in line with the IDP and budget ▪ Inability for the municipality to fund organisational structure ▪ Lack of prioritization of critical positions to sufficiently implement the strategic objectives |
| Human Resources | Ineffective implementation of the Work-Skills Plan | <ul style="list-style-type: none"> ▪ Inadequate participation by management on skills gap assessment. ▪ Inappropriate manner of identifying skills gap ▪ Ineffective performance management |
| Regulatory / Health | Non-compliance with Health and Safety Regulations by June 2017 | <ul style="list-style-type: none"> ▪ Lack of adequate health and safety plans ▪ Lack of Health and Safety equipment ▪ Lack of capacity for first-aid occupational health and safety ▪ Evacuation procedures not formally developed and communicated ▪ Lack of regular building assessments for compliance with safety regulations ▪ Non training of Health and Safety committee and first aid representatives ▪ Absence of fire marshals ▪ No medical examination of employees, especially general workers |
| Governance | Ineffective/ inadequate administrative support for oversight committees | <ul style="list-style-type: none"> ▪ Lack of training of Councilors and its sub committees. ▪ Lack of consequence management |

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2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(l) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

The strategies listed below have been adopted and are implemented by Council:

1. Anti-fraud and prevention strategies
2. Fraud Prevention Plan
3. Code of Ethics for Municipal Employees
4. Fraud Prevention Policy
5. Whistleblowing Policy

On the year under review there were no Fraud & Corruption Workshops held for both Councillors and employees, this is due to the fact that GKM did not have Internal Auditors due to their resignations.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The objective of Supply Chain Management is to procure goods and services. The Great Kei Municipality Supply Chain Management is centralized for all the municipal procurement services. As per the SCM standards and norms, all SCM committees are in place and functional. The organizational structure has made provisions for separation of duties. Contracts Management Unit is located within the SCM unit. On average, procurement processes takes about 38 day's turnover for competitive bidding, for informal tender process an average time takes about 12 days and for three quotations it takes about a week.

The accounting officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids which consists of:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication

The supply chain processes are guided by the SCM policy of the municipality which is reviewed annually.

Challenges

Lack of professional skills within the Great Kei area

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Quoting above /below market related prices

Remedial action

Workshops were conducted for suppliers for SMMEs and supplier days were conducted as well for all GKM suppliers. The Municipality has provided computer and access to internet to and assists suppliers to register on CSD.

T 2.8.

2.9 BY-LAWS

| BY-LAWS EXISTED SINCE 2015/16 FINANCIAL YEAR | | | | | |
|--|---------|---|------------------------------|---------------------------|---------------------|
| Newly Developed | Revised | Public participation Conducted Prior to Adoption of By-Laws (Yes / No) | Date of Public participation | By-laws Gazetted (yes/no) | Date of Publication |
| Liquor trading by-law | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| Street Trading by-law | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| Prevention of nuisance by-law | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By- law relating to advertising signs | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By-law relating to public open space | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By-law relating to use and hire of municipal buildings | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By-law relating to neglected buildings & Premises | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| Waste Management by-law | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By-law relating to Cemeteries & Crematoria | Not yet | Yes but not yet gazetted | September 2015 | No | N/A |
| By-law on Spatial Land Use Management | Not yet | Gazetted | September 2015 | No | N/A |

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| | | | | | |
|---|---------|--------------------------|----------|----|-----|
| Rates Policy by-law. | Not yet | Approve in June 2017 | May 2018 | No | N/A |
| Credit Control and Debt Collection by-law. | Not yet | Approved in June 2017/18 | May 2018 | No | N/A |
| Tariff Policy by-law. | Not yet | Approved in June 2017/18 | May 2018 | No | N/A |
| Indigent Policy by-law. | Not yet | Approved in June 2017/18 | May 2018 | No | N/A |
| Rates Policy by-law. | Not yet | Approved in June 2017/18 | May 2018 | No | N/A |
| T 2.9.1 | | | | | |

COMMENT ON BY-LAWS:

The Great Kei Municipality is a plenary type council and has got thirteen (13) and seven (7) wards respectively. Therefore the Public Participation process was conducted on all wards. However some by-laws have not yet been gazetted, though the institution has requested both Amatole District Municipality and EC Cota to assist financially to have the by-laws Gazetted

In the light of its size, the Municipality would work in conjunction with the relevant law enforcement agencies, such as SAPS, Traffic Law Services, to enforce the By-Laws once are gazetted.

T 2.9.1.1

2.10 WEBSITES

| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
|--|-----------------|------------------------|
| Current annual and adjustments budgets and all budget-related documents | Yes | 18/19 FY |
| All current budget-related policies | Yes | |
| The previous annual report (Year -1) | Yes | 17/18 |
| The annual report (Year 0) published/to be published | | |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards | Yes | 18/19 |
| All service delivery agreements (Year 0) | N/A | N/A |
| All long-term borrowing contracts (Year 0) | Yes | N/A |
| All supply chain management contracts above a prescribed value (give value) for Year 0 | Yes | 18/19 |

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| | | |
|--|-----|-----------------|
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1 | N/A | N/A |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | N/A | N/A |
| Public-private partnership agreements referred to in section 120 made in Year 0 | N/A | N/A |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 0 | Yes | 17/18 |
| | | <i>T 2.10.1</i> |

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Documents are loaded on the Municipal website as and when a need arises. Currently the municipality does not have personal computers that are accessible to the public however our libraries do have the personal computers accessible to the public. The Municipality is in a process of procuring the services and as well reconstructing our website for ease use by the public.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Public satisfaction survey was internally done during the 18 / 19 Financial Year by Municipality, through its Corporate Services Directorate. However the Senior Management saw gaps in the study hence it did not cover the entire Great Kei. For this reason GKM decided to re-commission the study but now to cover the whole GKM Jurisdiction, and if needs, be source external expertise for its credibility

T 2.11.1

2

Chapter 3

PTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Out of 17 targets set 8 have been achieved and 9 not achieved. And the overall percentage achievement is 47%.

For the detailed report refer to chapter 3 component K of this report.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM did lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision was noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

The GKM is responsible for access roads, roads maintenance, electricity distribution in Qumran and its townships, housing facilitation and solid waste management

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision is noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

T 3.1.1

T 3.1.2.1

COMMENT ON WATER USE BY SECTOR:

This is a district function though it is performed local and at all times the local report and collaborate with the district on matters relating to water services. The Amatole District Municipality in the case of Great Kei performs this function.

T 3.1.2.2

This is not the GKM function but for ADM

T 3.1.5

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

This is not the GKM function but ADM

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation services is the function of Amatole District Municipality. Only 9.4 % of the total population has access to flushed toilet services though, which is an increase from 2001, where only 8.9 % of the population had access to the service. **(Census 2011)**

T 3.2.1

This not the GKM function. It is the ADM funtion

T 3.2.2

This is not the GKM function. It is the ADM function

T 3.2.5

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

This is not the GKM function. It is the ADM function

T 3.2.10

Chapter 3

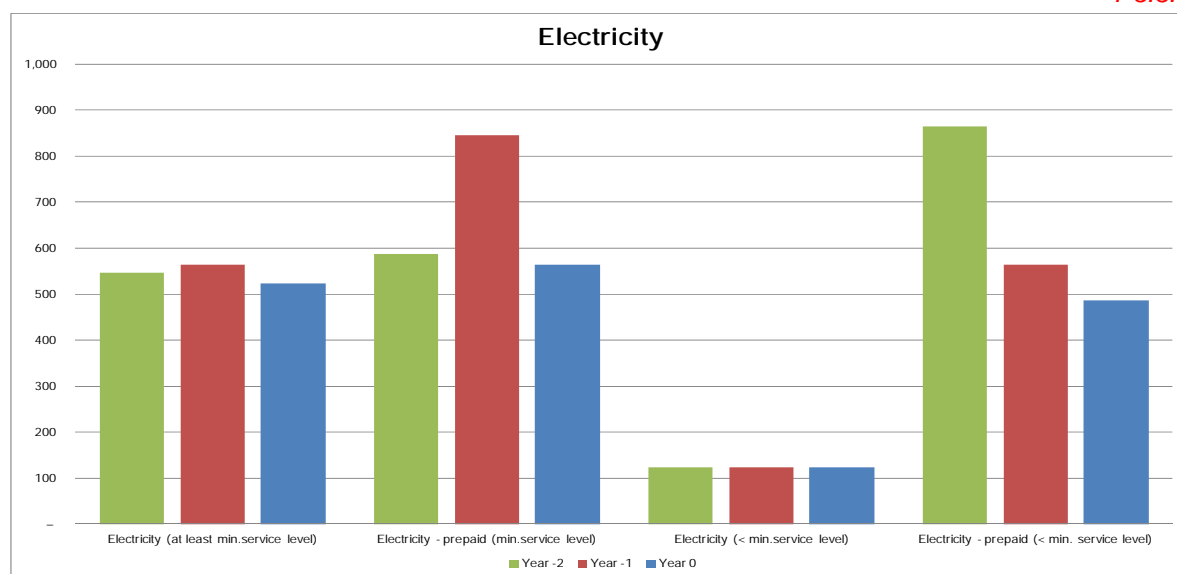
3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new housing development, Zone 10 in Komga, which is being implemented by Provincial Department of Human Settlement. This development consists of 1140 housing units with the first 570 being at inductory and showhouse stage. This development will required to be electrified once the top structure is completed. The Municipality has already started with the pre-planning stages towards electrifying this area by increasing the Notified Maximum Demand from 1,8 MVA to 2,3 MVA. Also the upgrading of Komga Intake Switching Room is at planning stages where a dedicated feeder pannel for Zone 10 settlement will be added. In areas where Eskom is the distributor in terms of NERSA license, the Great Kei Municipality is therefore playing a facilitation role in terms applying for funding for areas that still need to be electrified.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which have been funded into phases. Upgrading of Qumrha Bulk Supply Lines Phase III was completed as at end June 2016 and planning for next phases is also underway. However this phase has not addressed the dire need of refurbishment in these areas due to limited funding and low revenue collection . In the MTREF starting from 18/19 financial year the Department of Energy approved two(2) projects for the gazzetted R6million. However a total of R4million was reallocated at the due to late start of the projects, owing to the instability with the municiplaity. The munnicipality managed to increase the Notified Maximum Demand and as well part of the scope for the upgrading of Komga Intake Switching Room & Substations.

T 3.3.1



T 3.3.2

Chapter 3

| Electricity Service Delivery Levels | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Description | Households | | | |
| | Year -3 - 2015 | Year -2 - 2016 | Year -1 - 2017 | Year -0 - 2018 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| <i>Energy: (above minimum level)</i> | | | | |
| Electricity (at least in-service level) | 2,258 | 2,260 | 2,260 | 2260 |
| Electricity - prepaid (in-service level) | 2,141 | 2,141 | 2,141 | 2141 |
| <i>Minimum Service Level and Above sub-total</i> | 4 | 4 | 4 | 4 |
| <i>Minimum Service Level and Above Percentage</i> | 50.0% | 50.0% | 3.4% | 3.4% |
| <i>Energy: (below minimum level)</i> | | | | |
| Electricity (< in-service level) | 2,258 | 2,260 | 123,544 | 123,544 |
| Electricity - prepaid (< min. service level) | 2,141 | 2,141 | 2,141 | 2,141 |
| Other energy sources | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | 4 | 4 | 126 | 126 |
| <i>Below Minimum Service Level Percentage</i> | 50.0% | 50.0% | 96.6% | 97% |
| Total number of households | 9 | 9 | 130 | |
| | | | | T 3.3.3 |

| Households - Electricity Service Delivery Levels below the minimum | | | | | | |
|--|------------|---------|---------|-----------------|-----------------|---------|
| Description | Households | | | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 2,254 | 2,258 | 2,260 | 1,300,000 | 1,751,000 | 2,260 |
| Households below minimum service level | 50 | 50 | 50 | 50 | 50 | 50 |
| Proportion of households below minimum service level | 2% | 2% | 2% | 0% | 0% | 2% |
| Informal Settlements | | | | | | |
| Total households | 2,254 | 2,258 | 2,260 | 1,300,000 | 1,751,000 | 2,260 |
| Households below minimum service level | 50 | 50 | 50 | 50 | 50 | 50 |
| Proportion of households below minimum service level | 2% | 2% | 2% | 0% | 0% | 2% |
| | | | | | | T 3.3.4 |

Chapter 3

| Electricity Service Policy Objectives Taken From IDP | | | | | | | | | | |
|---|--|--|-----------------------|---|---|----------|-----------------------------------|---------------|----------|--------------------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | Year 1 | | | 2018/19 | |
| | | Target | Actual | Target | | Actual | Actual | | Target | |
| | Key Performance Indicator | *Previous Year-2016/17 | *Current Year-2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | 2018/19 | *Following Year |
| (I) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | | (x) |
| Service Objective xxx | | | | | | | | | | |
| To increase access of electricity to Great Kei Communities by 2022 | Increase of Notified Maximum Demand & Upgrading of Komga Intake Switching Room | Chintz East area 17 phase I Reticulation project completed | Achieved | Chintz East area 17 phase I Reticulation project completed | Chintz East area 17 phase II Reticulation project completed | Achieved | Increase of the NMD | | Achieved | Increase of the NMD to 2,8 MVA |
| | | | | | | | Upgrading of Komga Switching Room | | Achieved | Zone 10 Reticulation |
| | Number of reticulation projects completed (Output) | Electrical master plan developed and approved by council (Input) | Achieved | Electricity operations and maintenance plan developed and approved by Council | One (1) application submitted to DoE | Achieved | | | | |
| | | | | | | | | | T 3.3.5 | |

Chapter 3

| Employees: Electricity Services | | | | | |
|---------------------------------|-----------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 1 | 2 | 1 | 1 | 50% |
| 10 - 12 | 2 | 2 | 1 | 1 | 50% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| Total | 7 | 8 | 6 | 2 | 25% |
| | | | | | T |
| | | | | | 3.3.6 |

| Financial Performance Year 0: Electricity Services | | | | | |
|---|--------------|-----------------|-------------------|--------------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 10672 | 11574 | 11501 | 10660 | -9% |
| Expenditure: | | | | | |
| Employees | 10031 | 1232 | 1354 | 1074 | -15% |
| Repairs and Maintenance | 154 | 315 | 870 | 358 | 12% |
| Other | 1115 | 10567 | 10094 | 25412 | 58% |
| Total Operational Expenditure | 11300 | 12114 | 12318 | 26844 | 55% |
| Net Operational Expenditure | 628 | 540 | 817 | 16184 | 97% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.3.7 |

Chapter 3

| Capital Expenditure Year 0: Electricity Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 4000 | 4000 | 3330 | -20% | |
| Project A - Electrification | 4000 | 4000 | 3330 | -20% | 280 |
| Project B | 0 | 0 | 0 | #DIV/0! | 150 |
| Project C | 0 | 0 | 0 | #DIV/0! | 320 |
| Project D | 0 | 0 | 0 | #DIV/0! | 90 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | |

T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new residential establishment at planning stage which will require to be electrified. Some of these residential development fall within Eskom Area of supply in terms of NERSA distribution. Great Kei Municipality is therefore playing a facilitation role in terms applying for funding of areas but also with intent of proclaiming these areas as part of its licenced distribution area. These areas include Chintsa Area 17 with a total of 429 planned housing units that has been completed in the 2017/18 FY, Kei Mouth, Haga-Haga and Morgans Bay. This will enhance revenue collection of the Municipality.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which has been funded into phases. Upgrading of Komga Bulk Supply Lines Phase III was completed as at end June 2016. However this phase has not addressed the dire need of refurbishment in this areas due to limited funding. In the MTEF starting from 16/17 financial DoE has gazetted funding for Electrification of the Chintsa East Area 17 and Komga zone 10 to provide services in these areas. On completion of Electrifying Chintsa East Area 17, and this is area is currently managed by Eskom owing capacity challenges to area.

The Development Bank of Southern Africa (DBSA) offered the municipality the services of an Electrical Engineer for monitoring the implementation of projects. The municipality has entered into an agreement with DBSA on the services of the electrical engineer who also has a responsibility to mobilise resources to upgrade our electricity infrastructure.

T 3.3.9

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Solid Waste Management within Great Kei is characterised by a predominantly privately managed dump system upon individual sites (i.e. backyards) rural villages and farms. Urban centres and some villages receive a weekly local authority waste collection services.

There are only three refuse removal trucks i.e. one compactor refuse truck, open refuse truck (tipper truck Denis UD95 Nissan 8 tons) and Fuso Canter (tipper truck). The compactor was burnt during the year under review and still waiting for insurance processes and UD95 8 tons are almost five (5) years old with mechanical challenges.

Qumran landfill site is licensed towards closure and also two transfer stations are licensed.

The site in Qumran site is fenced off. The site is becoming a wet land area because of the old quarry cells that were dug to excavate the gravel.

Two (2) transfer stations are in Chintsa and Kei Mouth.

The Kei Mouth transfer station is currently not operational owing to lack of resources and incapacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintz is being collected and transported to Qumran landfill site. Transfer station at Chintsa operates as a holding centre before waste is transported to Qumran landfill site. A process to revamp these transfer stations is underway as the municipality has entered into an agreement with DEDEA. The two transfer station shall help the municipality to sort recyclable materials and only non-recyclable material will be transported to Qumran.

Level and standards in waste management services.

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bake is used to collect refuse in such areas.

Major challenges in waste management services and remedial actions.

Challenges in waste management include budgetary constraints and human resources. Because of financial constraints it is not possible to have machine working in our landfill site full time. The volumes of waste received at the landfill site are being reported on the South African Waste Information system. Only three (3) refuse trucks that are used to collect refuse and it becomes a challenge when one truck is in for repairs or service.

In order to address the above it is recommended that:

Additional refuse truck was to be purchased during the 2017/2018 financial Year but the financial health position of the municipality deterred this noble idea to occur.

Budget to improve on waste management programme.

Chapter 3

T 3.4.1

| Solid Waste Service Delivery Levels | | | | |
|--|------------|---------|---------|---------|
| Description | Households | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 |
| | Actual | Actual | Actual | Actual |
| | No. | No. | No. | No. |
| <u>Solid Waste Removal: (Minimum level)</u> | | | | |
| Removed at least once a week | 4 | 4 | 4 | 4 |
| Minimum Service Level and Above sub-total | 4 | 4 | 4 | 4 |
| Minimum Service Level and Above percentage | 100.0% | 100.0% | 100.0% | 100.0% |
| <u>Solid Waste Removal: (Below minimum level)</u> | | | | |
| Removed less frequently than once a week | | | | |
| Using communal refuse dump | | | | |
| Using own refuse dump | | | | |
| Other rubbish disposal | | | | |
| No rubbish disposal | | | | |
| Below Minimum Service Level sub-total | | | | |
| Below Minimum Service Level percentage | | | | |
| Total number of households | 4 | 4 | 4 | 4 |
| | | | | T 3.4.2 |

| Households - Solid Waste Service Delivery Levels below the minimum | | | | | | |
|--|------------|---------|---------|-----------------|-----------------|--------|
| Description | Households | | | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 4 | 4 | 4 | 4 | 4 | 4 |
| Households below minimum service level | 0 | 0 | 0 | 0 | 0 | 0 |
| Proportion of households below minimum service level | 10% | 10% | 10% | 9% | 9% | 9% |
| Informal Settlements | | | | | | |
| Total households | 0 | 0 | 0 | 0 | 0 | 0 |
| Households below minimum service level | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | |
|--|----|----|----|----|----|---------|
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | T 3.4.3 |

| | Waste Management Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|--|-----------|--|---|-----------------------|---------------|---------------|-----------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | | 2018/19 | |
| | | Target | Actual | Target | | Actual | | Actual | Target | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | 2018/2019 | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | | (x) |
| | Service Objective xxx | | | | | | | | | |
| To ensure improved solid waste management by June 2022 | Number of clean-up and waste disposal campaigns conducted (Output) | Waste By-Laws reviewed and approved by council | Achieved | Waste By-Laws reviewed and approved by council | 8 awareness campaigns | 6 awareness campaigns | | | | |
| | Number of reports on closure of landfill site (Input) | 2 Progress reports on closure of landfill site | 2 reports | 2 Progress reports on closure of landfill site | 4 progress reports on closure of landfill sites | Achieved | | | | |
| | | | | | | | | | | T 3.4.4 |

Chapter 3

| Employees: Solid Waste Services | | | | | |
|---------------------------------|----------------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 1 2016/17 | Year 0 2017/18 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | | | | | |
| 4 - 6 | | | | | |
| 7 - 9 | 4 | 4 | 4 | | 0% |
| 10 - 12 | 20 | 20 | 20 | | 0% |
| 13 - 15 | 3 | 3 | 3 | | 0% |
| 16 - 18 | 1 | 1 | 1 | | 0% |
| 19 - 20 | | | | | |
| Total | 28 | 28 | 28 | 0 | 0% |

T3.4.5

| Employees: Waste Disposal and Other Services | | | | | |
|--|----------------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 1 2016/17 | Year 0 2017/18 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 31 | 29 | 31 | 100% |
| 4 - 6 | 3 | 4 | 4 | 4 | 100% |
| 7 - 9 | 6 | 2 | 2 | 2 | 100% |
| 10 - 12 | 7 | 5 | 5 | 5 | 100% |
| 13 - 15 | 9 | 2 | 1 | 2 | 100% |

T3.4.6

| Employees: Waste Disposal and Other Services | | | | | |
|--|-----------------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1-2016/17 | Year 0-2017/18 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 31 | 29 | 31 | 100% |
| 4 - 6 | 3 | 4 | 4 | 4 | 100% |
| 7 - 9 | 6 | 2 | 2 | 2 | 100% |
| 10 - 12 | 7 | 5 | 5 | 5 | 100% |
| 13 - 15 | 9 | 2 | 1 | 2 | 100% |

T3.4.6

Chapter 3

| Financial Performance Year 0: Solid Waste Management Services | | | | | |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 9260 | 5656 | 9952 | 9886 | 43% |
| Expenditure: | | | | | |
| Employees | 5515 | 6051 | 5840 | 5536 | -9% |
| Repairs and Maintenance | 184 | 1345 | 1045 | 663 | -103% |
| Other | 543 | 380 | 655 | 243 | -56% |
| Total Operational Expenditure | 6242 | 7776 | 7540 | 6442 | -21% |
| Net Operational Expenditure | -3018 | 2120 | -2412 | -3444 | 162% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | <i>T 3.4.7</i> |

| Financial Performance Year 0: Waste Disposal and Other Services | | | | | |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 0 | 0 | 0 | 0 | 0 |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Total Operational Expenditure | 0 | 0 | 0 | 0 | 0 |
| Net Operational Expenditure | 0 | 0 | 0 | 0 | 0 |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | <i>T 3.4.8</i> |

Capital Expenditure Year 0: Waste Management Services

R' 000

Chapter 3

| Capital Projects | Year 0 | | | | |
|------------------|--------|-------------------|--------------------|-------------------------------|---------------------|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 700 | 700 | 0 | #DIV/0! | |
| Project A | 700 | 700 | 0 | #DIV/0! | 280 |
| Project B | 0 | 0 | 0 | #DIV/0! | 150 |
| Project C | 0 | 0 | 0 | #DIV/0! | 320 |
| Project D | 0 | 0 | 0 | #DIV/0! | 90 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Kei Mouth transfer station is currently not operational owing to lack of resources and incapacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintsa is being collected and transported to Qumrha landfill site. Transfer station at Chintsa operates as a holding centre before waste is transported to Qumrha landfill site. A process to revamp these transfer stations is underway as the municipality has entered into an agreement with DEDEA. The two transfer station shall help the municipality to sort recyclable materials and only non-recyclable material will be transported to Qumrha.

Level and standards in waste management services.

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bakkie is used to collect refuse in such area.

T 3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Human Settlements

The Municipality has an existing Housing Sector Plan (2011-2016). The Department of Human Settlement appointed a Service Provider to review the Sector Plan in line with municipal IDP. The key focus areas of the review are as follows:

- Situational Analysis Review
- Feasibility Studies of all planned projects
- Development of the Draft Housing Sector Plan
- Presentation of the Housing Sector Plan to Stakeholders and Final Adoption.

The Great Kei Municipality has a diverse housing need relating to the fact that many families live in traditional dwellings in Mooiplaas and farm dwellers (see bar chart below). The coastal towns of Kei Mouth, Morgan's Bay, Haga, Marsh Strand, Crossways, Bulugha, Glen Muir and Chintsa East have a need to provide serviced sites and low cost housing for the workers who would like to live in these centres. There is also potential for development of holiday homes and tourism related accommodation. The Municipality applied to the provincial housing department (PDoHS) for the following projects: Qumrha Zone 10 Settlement 1140 units, Qumrha Phase (2) 400 units, Haga 300 units, Cefane/ Taiton 350 units and Chintsa East Area (17) 465 units.

Figure: Housing Type

Source Department of Housing & Local Government, 1997

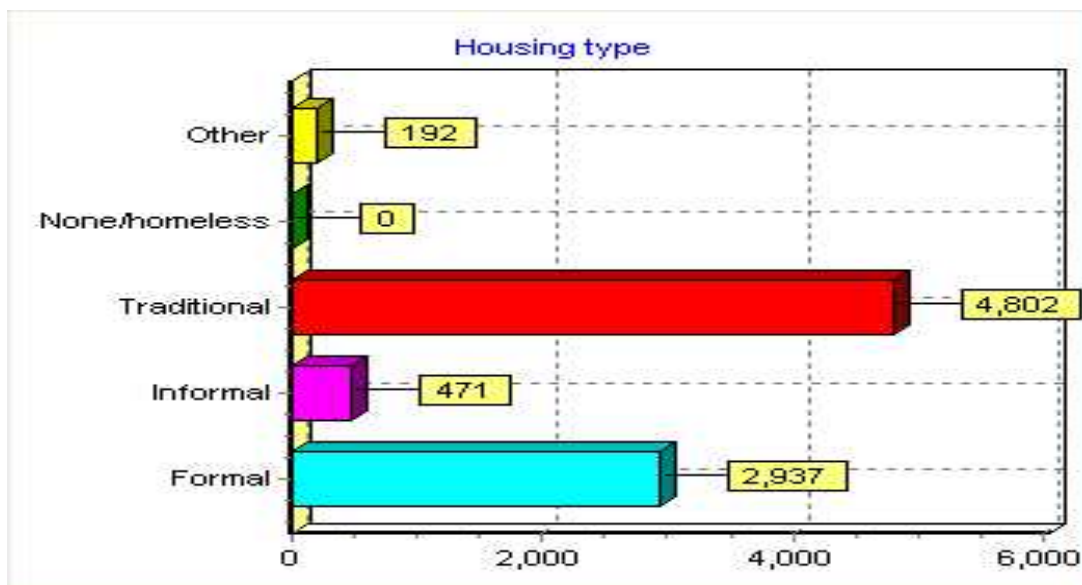


Table: Housing Type

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| Traditional | Informal | Formal | Other |
|-------------|----------|--------|-------|
| 57% | 6% | 35% | 2% |

Most households live in traditional structures (57 percent) with 35 percent of households living in formal structures (refer to Table 14). The total housing need for low-income families at Qumrha was estimated by the Council at 3 000 houses with serviced sites. The settlements at Draaibosch and Mooiplaas also required formalization of tenure and infrastructure. The municipality has to plan for the extension of services inclusive of housing for Chintsa East, Kei Mouth and Qumrha.

H (b) Formal Housing

Private developers are involved in the provision of most formal housing within the urban areas; however people in the lower income groups were marginalized by this as they could not afford the types of housing being provided. This led to a high demand for rented accommodation, resulting in overcrowding and increased numbers of backyard dwellers. A high demand for serviced sites and housing thus existed. The Provincial Housing Board subsidy projects have the opportunity of making inroads into the affordable and low cost housing need. However, under allocation of funding together with the slow rate of delivery placed a number of new housing projects on the waiting list had a negative impact on the project.

During the IDP/ Budget Review 2005/ 2006 an allocation of 6000 Units was identified and it was broken down into allocation by Wards as follows, 1000 Housing Units per Ward. Due to the problem with the existing housing projects a Directive from the Office of The MEC, Housing, that priority must be given to blocked, stopped, and incomplete projects.

Developments are that, the Icwili Phase I (255) housing project has been unblocked and therefore 84 houses will be built an additional 19 houses completed. With regard to Chintsa East housing project, bulk infrastructure is the problem and the Municipality was advised to talk to ADM for temporary provision of these services whilst waiting for the completion of Bulk Water Scheme project.

The Municipality forged relations with Afesis Corplan and the Provincial Department of Human Settlements. Afesis Corplan promoted a concept known as LAND - FIRST in an attempt to discourage expansion of shack - dwellers resulting from uncontrolled land invasions. The approach emphasizes the notion of being pro-active as government of the people by providing surveyed sites to all home seekers, provide basic servicers and guarantee the occupant to be the owner of that piece of land through certificate of ownership. The GKM identified Kei Mouth – Icwili as a pilot project. The municipality consulted the immediate community who agreed to the program/project. The municipality was awaiting approval from the office Surveyor General.

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business

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plans for capacity enhancement in performing the housing function including management of housing projects.

**Table 15: Current Housing Access
Proposed Housing Needs**

| | |
|--------------------|-------------|
| GKM Rural Areas | 6000 |
| Morgan's Bay | 200 |
| Kei Mouth (Icwili) | 250 |
| Chintsa East | 500 |
| Qumrha Zone 10 | 1140 |
| Qumrha Phase 1 | 96 |
| Qumrha Phase 2 | 400 |
| Haga-Haga | 300 |
| Cefani | 250 |
| Taiton | 350 |
| TOTAL | 9489 |

Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

T 3.5.1

Chapter 3

| Percentage of households with access to basic housing | | | |
|---|---|-------------------------------------|--|
| Year end | Total households (including in formal and informal settlements) | Households in formal settlements | Percentage of HHs in formal settlements |
| Year -3 | 11500 | 8965 | 78.0% |
| Year -2 | 11500 | 8965 | 78.0% |
| Year -1 | 11500 | 8965 | 78.0% |
| Year 0 | 11500 | 8965 | 78.0% |
| | | | T 3.5.2 |

Chapter 3

| Housing Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|-----------------------------|--------------------------------------|-----------------------------|--|-------------------------------------|-------------------------|---------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year 2018/2019 | Actual | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To Provide access to sustainable human settlements within the GKM Area by June 2022 | Number of reports on the implementation of Housing Sector Plan (Input) | 2 implement ation reports | 1 report | 2 Implementat ion reports | Target removed in the year under review | N/A | | xxxxxx | xxxxxx |
| | Number of beneficiaries submitted to <u>dpt of Human Settlements</u> for houses approval (Output) | 800 beneficiari es approved | Approved list of 1140 beneficiar ies | 1140 beneficiaries approved | 200 beneficiar ies <u>submitted to dpt of Human Settlemen ts for houses approval</u> | 856 beneficiarie s submitted to DHS | | | |
| | | | | | | | | | T3.5.3 |

| Employees: Housing Services | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |
| <p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> | | | | | |
| T 3.5.4 | | | | | |

Chapter 3

| Financial Performance Year 0: Housing Services | | | | | |
|---|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| Total Operational Expenditure | 195 | 732 | 750 | 744 | 2% |
| Net Operational Expenditure | 75 | 607 | 650 | 649 | 6% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.5.5 |

Chapter 3

| Capital Expenditure Year 0: Housing Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | <i>T 3.5.6</i> |

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business plans for capacity enhancement in performing the housing function including management of housing projects.

Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

T 3.5.7

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

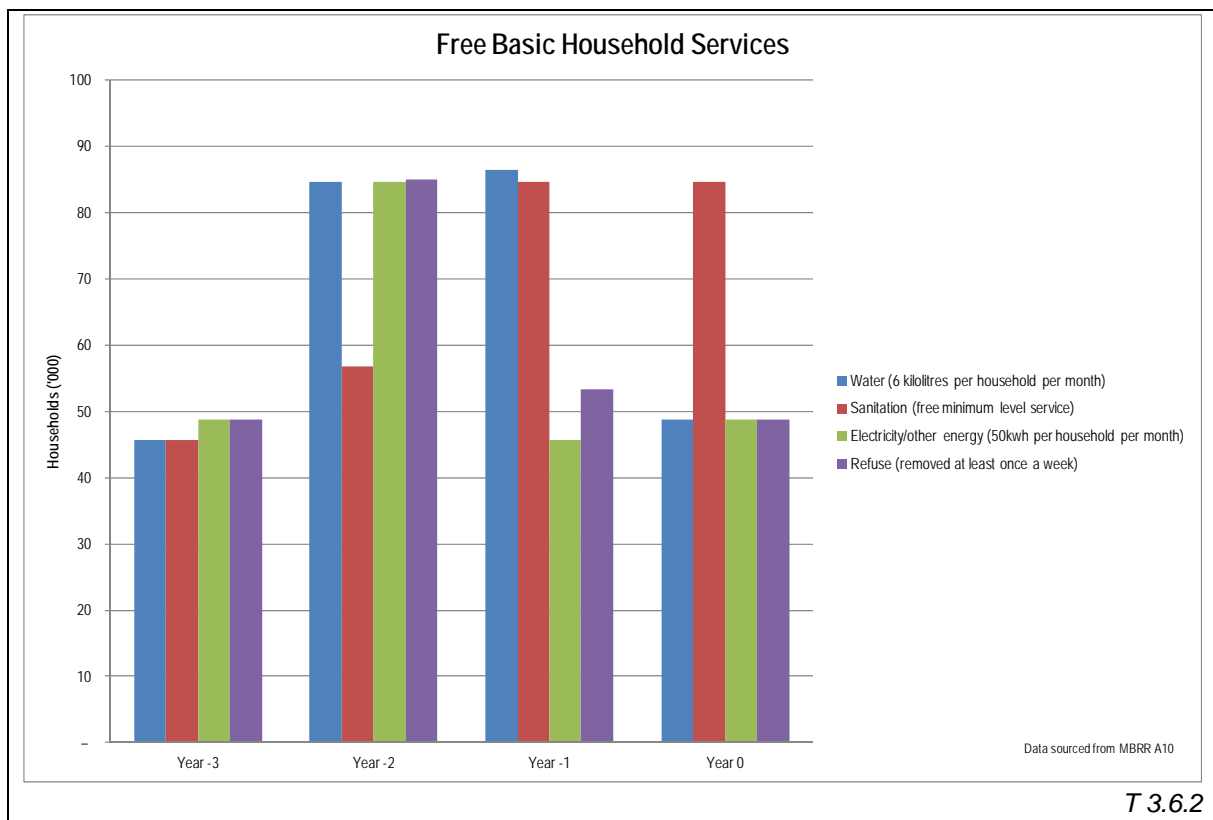
INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an approved indigent policy that is reviewed annually and aligned with Eastern Cape Provincial Framework and other pieces of Legislation.

The objective of the policy is to ensure the following

- Provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy; The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative governance with other spheres of government

T 3.6.1



Chapter 3

| Free Basic Services To Low Income Households | | | | | | | | | | |
|--|---------|---|------------------|-----|-----------------------|-----|------------------------|-----|-------------------|-----|
| | Total | Number of households | | | | | | | | |
| | | Households earning less than R1,100 per month | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| Year -2 | 100,000 | 18,000 | 12,000 | 67% | 10,000 | 56% | 13,000 | 72% | 7,000 | 39% |
| Year -1 | 103,000 | 18,500 | 13,000 | 70% | 11,000 | 59% | 14,500 | 78% | 8,000 | 43% |
| Year 0 | 105,000 | 19,000 | 15,000 | 79% | 12,000 | 63% | 16,100 | 85% | 9,000 | 47% |
| T 3.6.3 | | | | | | | | | | |

| Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|---------|--------|-------------------|--------|--------------------|
| Services Delivered | Year -1 | Year 0 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| Water | 200 | 244 | 250 | 248 | 2% |
| Waste Water (Sanitation) | 220 | 240 | 250 | 245 | 2% |
| Electricity | 100 | 120 | 130 | 135 | 11% |
| Waste Management (Solid Waste) | 105 | 110 | 120 | 125 | 12% |
| Total | 625 | 714 | 750 | 753 | 5% |
| T 3.6.4 | | | | | |

| Free Basic Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|---|---|------------------------|-----------------------|-------------------|---------------|---------------|-----------------|
| Service Objective s | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure availability , review and implementation of Indigent Policy and by June 2022 | % of indigent beneficiari es receiving free basic services (Output) | Update d and approv ed Indigen t Register | Indige nt Policy and Indige nt Regist er approv ed by council | 100% Achiev ed | 100% | 58% Not Achiev ed | xxxx LIHs | xxxx LIHs | xxxx LIHs |
| | | | | | | | | | |
| | | | | | | | | | T 3.6.5 |

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

In support of the indigent community the municipality has an approved indigent policy. The municipality currently provides free basic electricity of 50 KW per household, refuse removal, 20 liters paraffin per household for alternative energy and various rebates on property rates.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and storm water drainage.

INTRODUCTION TO ROAD TRANSPORT

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

The only funding source available for construction/upgrading of gravel and surfaced roads is the Municipal Infrastructure Grant. This funding only cover few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & internal project management unit to oversee the monitoring and implementation of all project. Four projects (two Mzwini Community Hall and 3 internal streets-Tianton, Cwili and Taiwan) were designed and managed by professional consultants.

Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

Great Kei Municipality has limited financial and plant resource for the road maintenance activities. This objective has been achieved by balancing of resources, activities and forecast planning. Sector departments have been engaged through service level agreements where the view of sharing resources has been developed to serve as support initiative to the municipality. The municipality has received an amount of R1 000 000 from the Department of Public Works towards implementation of EPWP projects within the municipality. The objective of this funding is to provide jobs for the unemployed youth, women & disabled. The fund also assist in poverty alleviation, maintenance of infrastructure in all sectors within the municipality i.e. Infrastructure Sector, Social Sector and Environmental Sector. On infrastructure sector the project for road maintenance is prioritised as it addresses challenges faced by maintenance unit on surfaced roads and non-surfaced. In terms of the adopted EPWP policy, which is reviewed annually, the Mayor/Speaker is the champion of the EPWP and this means the Mayor/Speaker is the overseer of all operations within this fund allocation. The municipality facilitate the recruitment and employment of people from the wards to implement these roads activities (patch gravelling, pothole patching and cleaning of stormwater drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads and during this financial year the access road to from Mzwini, via

Chapter 3

Mangqukela. Also the road from Nomaquutsu to Bhola was ripped, re-compacted and maintained as its condition required such maintenance. The municipality on its side has maintained a total of 8.3km that was done dry blading and this includes Draaisbosch area. A total of 221 square of asphalt pothole patching was also completed as at end of 2018/19 financial year

Major challenges in road maintenance services

The municipality has a low revenue collection and deprives the Infrastructure Division for budgeting of Road Maintenance. Most of access roads are in a bad state and they have reached their design period. This makes them difficult to be maintained on annual basis. The shortage of yellow plant is a major challenge because without it maintenance becomes very difficult. A set of yellow plant can be able to save lifespan of many roads as maintenance can be able to planned and executed effectively.

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments. Most roads leading to coastal areas which are regarded as tourist destination are usually surfaced.

The road network within the Great Kei Municipality consists of 730 kilometres of surfaced and unpaved road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 22 kilometres of surfaced and 487 kilometres of unpaved road.

T 3.7.1

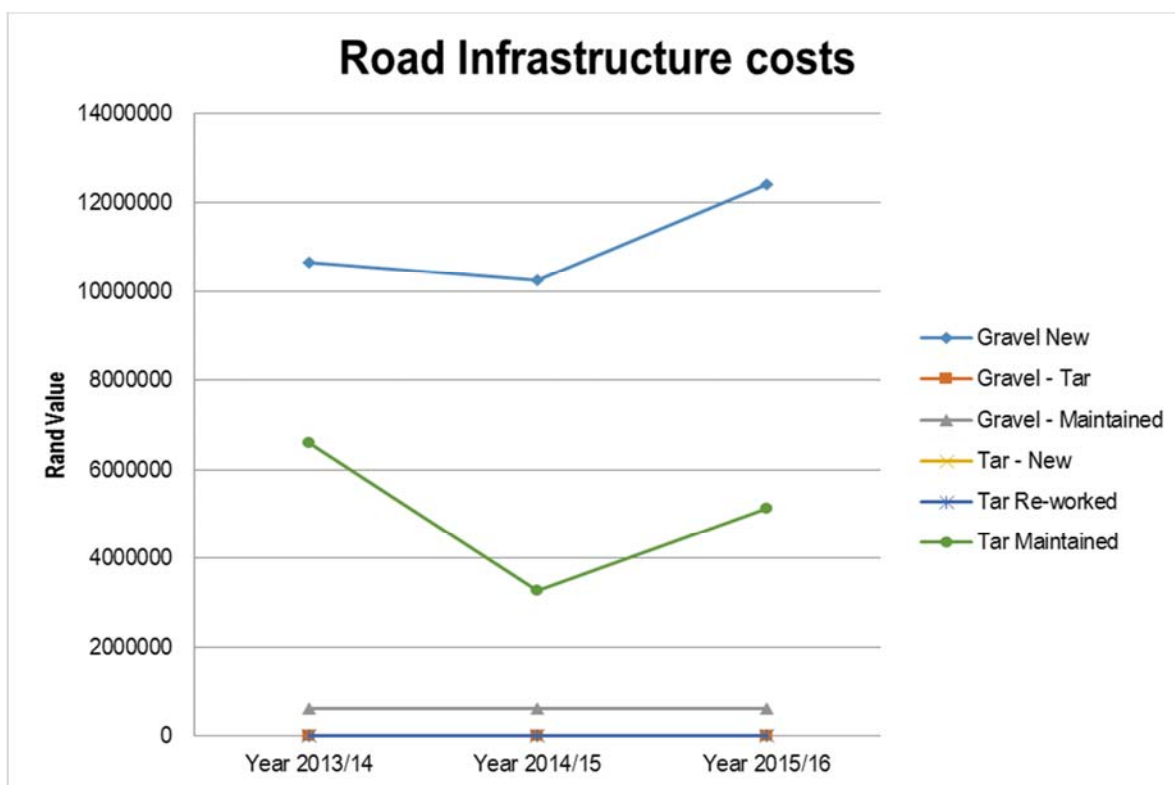
| Gravel Road Infrastructure | | | | |
|----------------------------|--------------------|------------------------------|------------------------------|---|
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Kilometers Gravel roads graded/maintained |
| Year -2 | 145 | 15 | 10 | 100 |
| Year -1 | 160 | 20 | 12 | 120 |
| Year 0 | 166 | 25 | 14 | 140 |

T 3.7.2

Chapter 3

| Tarred Road Infrastructure | | | | | Kilometers |
|----------------------------|--------------------|---------------|------------------------------|-------------------------------|----------------------|
| | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| Year -2 | 85 | 10 | 23 | 18 | 100 |
| Year -1 | 98 | 14 | 25 | 15 | 120 |
| Year 0 | 114 | 20 | 30 | 25 | 140 |
| | | | | | <i>T 3.7.3</i> |

| Cost of Construction/Maintenance | | | | | | R' 000 |
|----------------------------------|--------|--------------|------------|---------|-----------|----------------|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| Year -2 | 450000 | 1700000 | 250000 | 1950000 | 1050000 | 400000 |
| Year -1 | 475000 | 1800000 | 260000 | 2020000 | 1220000 | 500000 |
| Year 0 | 490000 | 1900000 | 280000 | 2300000 | 1300000 | 550000 |
| | | | | | | <i>T 3.7.4</i> |



T 3.7.5

Chapter 3

| Road Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|---|------------------|---|--|------------------|---|--|--|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| Service Objective | | | | | | | | | |
| To Ensure accessible roads within the Great Kei Local Municipal Area by 2022 | Number of kms of gravel roads to be constructed through MIG (Outcome) | 7 kms of gravel roads to be constructed at Bhola Village and Old Location | 7 kms achieved | 7 kms of gravel roads to be constructed at Bhola Village and Old Location | 4.7km gravel road to be constructed | 5,7 kms achieved | 5km of gravel roads to be constructed in 2018/19 in Icwili, Taiton & Taiwan | Achieved 8,3 kms constructed | 9km's to be constructed at Chintsa East, Elityeni & Komga-Siviwe |
| | Number of kms of gravel roads to be maintained of gravel roads to be rehabilitated/ Re-graveled (Outcome) | 2km gravel road to be maintained in 2016/17 FY | 2km gravel roads | 2km gravel road to be maintained in 2017/18 FY | 6 kms of gravel roads to be constructed at Qumrha town | 2.1 kms achieved | | | |
| | | | | | | | | | |
| | | | | | | | | | <i>T 3.7.4</i> |

Chapter 3

| Employees: Road Services | | | | | | | |
|--------------------------|--------------|--------------|-----------|----------------------------------|-----------------------------------|----------------|----------------------------------|
| Task Grade | Year 2016/17 | Year 2017/18 | | | | Year 2018/2019 | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) | Employees | Vacancies (fulltime equivalents) |
| | No. | No. | No. | No. | % | No | |
| 0 - 3 | 2 | 9 | 2 | 7 | 78% | 7 | |
| 4 - 6 | 0 | 3 | 1 | 2 | 67% | 2 | |
| 7 - 9 | 2 | 2 | 1 | 1 | 50% | 1 | |
| 10 - 12 | 3 | 0 | 0 | 0 | 0% | 0 | |
| 13 - 15 | 0 | 3 | 1 | 2 | 67% | 2 | |
| 16 - 18 | 2 | 2 | 2 | 0 | 0% | 0 | |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% | 0 | |
| Total | 9 | 19 | 7 | 12 | 63% | 12 | |
| T3.7.7 | | | | | | | |

| Financial Performance Year 0: Road Services | | | | | |
|---|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance Budget to |
| Total Operational Revenue | 13023 | 12634 | 12634 | 12632 | 0% |
| Expenditure: | | | | | |
| Employees | 8957 | 9804 | 9574 | 9785 | 0% |
| Repairs and Maintenance | 2051 | 557 | 670 | 557 | 0% |
| Other | 39 | 1784 | 1355 | 1136 | -57% |
| Total Operational Expenditure | 11047 | 12145 | 11599 | 11478 | -6% |
| Net Operational Expenditure | -1976 | -489 | -1035 | -1154 | 58% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.7.8 |

Chapter 3

| Capital Expenditure Year 2018/19: Road Services | | | | | |
|--|------------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 11 116 000 | 11 116 000 | 9 585 900.46 | -14% | 11 116 000 |
| Icwili Internal Streets | 1 919 460 | 1 881 518.70 | 1 823 999.40 | -5% | 1 965 938.77 |
| Taiton Internal Streets | 1 888 375 | 2 001 764.94 | 1 993 249.40 | -5% | 2 093 525.28 |
| Taiwan Internal Streets | 1 888 375 | 2 126 529.42 | 2 048 137.67 | +8% | 2 224 940.13 |
| Mzwini Community Hall | 2 400 000 | 2 680 381.84 | 2 558 938.98 | +6% | 2 805 015.45 |
| Construction of Komga Agri-Park | 1 000 000 | 654 957.32 | 195 960.00 | -410% | 195 960.00 |
| Closure of Komga Landfill Site | 1 000 000 | 900 000.00 | 317 811.70 | -214% | 384 425.45 |
| Magrangxeni Internal Streets | 463 990 | 315 047.78 | 237 751.71 | -95% | 237 751.71 |
| PMU Operations | 555 800 | 555 800 | 555 800 | 0 | 555 800 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i> | | | | | <i>T 3.7.9</i> |

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Road construction

The only funding source available for construction/upgrading of gravel and surfaced roads is the Municipal Infrastructure Grant. This funding only cover few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & internal project management unit to oversee the monitoring and implementation of all projects. Four projects (one community hall and three internal streets –Icwili, Taiwan/Nyarha and Taiton) were designed by consultants and level 2 monitoring was done by consultants with the assistance of the in-house project management unit.

Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

GKM with the limited resources continue doing road maintenance but need some support from other Sector departments from government. Currently the municipality has been utilising one grader to maintain all municipal roads though consistent mechanical challenges hampered the objective. The municipality received an amount of R1 000 00 from the Department of Public Works. This funding is used for the maintenance of gravel and tar roads in the entire municipal area. The municipality employs

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people from the wards to maintain these roads (patch gravelling, pothole patching and cleaning drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads.

Major challenges in road maintenance services

The municipality has a low revenue collection and that deprives the Infrastructure Division to budget extensively for road maintenance. Most of access roads are in dire condition and have reached their life span. This makes it difficult to be maintained on annual basis due to budget limitation.

Limited capital funding to consider other Village Internal roads, the only source of funding available is MIG.

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments.

The road network within the Great Kei Municipality consists of 729, 55 kilometres of surfaced and gravel road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 21, 30 kilometres of surfaced and 486, 18 kilometres of unpaved road.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

This is not GKM function.

T 3.8.1

This is not the GKM function.

T 3.8.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

This is not the GKM function.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The stormwater management is embedded under road construction, maintenance of Roads & Stormwater. Similarly to road maintenance this activity is not effectively realized due to funds limitation. However the Infrastructure Division has managed to solicit service providers with the Jetting Machines for unblocking of stormwater. This was done in Komga where, approximately a total of 300m consisting of 300mm diameter, 600mm diameter and 900mm diameter in old location were unblocked during the year at hand. In the coastal areas a length of 150m have been unblocked in Kei Mouth and in Morgan Bay respectively. In line with the stormwater management, a number of number of manhole covers were erected in the Komga Town and the township.

T 3.9.1

T 3.9.4

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The GKM performs the function of road services

T3.9.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The opportunities of GKM as outlined by the Great Kei Spatial Development Framework are:

There is potential for renewable energy through wind farming, this means that wind farming is a variable source of energy that continues to attract investment and infrastructure development. This kind of farming is expanding in the GKM area given that there is currently an expression of interest and application for the installation of similar project around Haga-haga area

Stock farming is still one of the major contributions to the municipality's GDP and skills development and emerging farmer support programmes need to be focused on in order to sustain and grow the industry. The Municipality forms part of the wild coast meander tourism route along the coast and wildlife tourism in the north of the Municipality has great potential for growth and has been identified as a critical area for development by the Municipalities development perspective.

The course of urban development and urban growth in the last twenty years has been taking an increasingly green outlook in terms of how a town should look in its growth process hence the expansion of the main town urban agriculture has been proposed as a sustainable source of food and income for the municipality in close proximity to accommodation, facilities and other scale economies According to the Land Audit exercise that has been developed by the Municipality in 2017/18, key strategic areas have been identified for potential development and growth of the Municipality, these include areas owned by the Municipality and the Department of Public Works in Kei Mouth, areas owned by the Municipality and its District Municipality (ADM) in Haga Haga, and various other land parcels that are municipal owned in Qumrha.

These identified land parcels open up opportunities for Great Kei Municipality within the economic and socio -economics sectors.

The Land audit will therefore guide the Municipality in ensuring the efficient use of available resources in order to ensure that the municipality increases its financial capacity thus having a ripple effect throughout the institution.

T 3.10

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING

Main Elements of Planning Strategies:

The achievement achieved by Planning in year 0 are, employing permanent officials that will oversee all planning and building control within GKM.

The setting up of procedures that will ensure implementation and smooth processing of development applications.

The handing over of all development applications and building plans from the previous consultant to the relevant officials to ensure filling and processing of applications. The appointment of an Authorised Officer in terms of the Spatial Planning and Land Use Management Act 16 of 2013 will ensure that applications are processed speedily and in time.

The development of SPLUMA procedures are also to ensure efficiency and a speedy processing of development applications, this will also enhance the area of Great Kei Municipality in a planned and well-coordinated manner.

The Challenges experienced are:

Missing applications due to lack of steady officials in the Municipality, contributing to missing information. Shortage of Human Resources to ensure that the functions of the office are carried out within the desired turnaround time.

Backlog of applications still requires more human resources in order to be completed.

There are existing contraventions with regards to both building control and municipal planning and these are being dealt with by the relevant officials according to relevant pieces of legislations.

Those that had issues with contravention notices and have not responded, the issues were forwarded to the Municipalities legal team.

The 3 service delivery priorities with regards to planning and building control are:

Ensuring efficient land use management.

This has been insured though the employment of permanent human resource capacity to oversee land use management.

Adopting and implementing the Great Kei Municipalities Spatial Development Framework.

Implementation of the adopted Great Kei Municipality Spatial Development Framework

Ensuring sustainable development for the inhabitants of GKM.

Ensuring that development is encouraged to increase employment opportunities for the lives of those that live in GKM.

Measures to ensure and improve performance.

The divisional scorecard has been developed and implemented for reporting on year 0, and year 1s report is articulated above.

Chapter 3

This is managed through monthly reports that are converted into quarterly reports into Annual Reports.

T 3.10.1

| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|-----------------|------------------|-----------------|-------------------|-----------------|
| Detail | Formalization of Townships | | Rezoning | | Built Environment | |
| | Year 1 - 2017/18 | Year 0- 2018/19 | Year 1 - 2017/18 | Year 0- 2018/19 | Year 1 - 2017/18 | Year 0- 2018/19 |
| Planning application received | 1 | 0 | 6 | 4 | 7 | 0 |
| Determination made in year of receipt | 1 | 0 | 4 | 0 | 2 | 0 |
| Determination made in following year | 0 | 0 | 2 | 4 | 0 | 0 |
| Applications withdrawn | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications outstanding at year end | 0 | 0 | 2 | 0 | 5 | 0 |
| | | | | | | <i>T 3.10.2</i> |

Chapter 3

| Planning Policy Objectives Taken From IDP | | | | | | | | | |
|---|--|---|--------------|---|---|----------|--|---|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2015/16 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure that building regulations are adhered to by June 2022 | 100% approval of submitted building plans and land use applications within 3 months (Output) | 100% approval of submitted plans within 3 months | Achieved | 100% approval of submitted plans within 3 months | 100% approval of submitted building plans and land use applications within 3 months | Achieved | 100% approval of submitted plans within 3 months | 100% approval of submitted building plans and land use applications within 3 months | Achieved |
| To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use Management Systems | Final Land Audit report completed and adopted by council (Input) | SDF reviewed and approved with compliance report by council | Not achieved | SDF reviewed and approved with compliance report by council | Final Land Audit report completed and adopted by council (Input) | Achieved | Final Land Audit report completed and adopted by council (Input) | Final Land Audit report completed and adopted by council (Input) | Not Achieved |
| | | | | | | | | | T 3.10.3 |

| Employees: Planning Services | | | | | |
|------------------------------|--------------|--------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 2015/16 | Year 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |

Chapter 3

| | | | | | |
|-----------------|----------|----------|----------|----------|-------------|
| 8 | 1 | 1 | 1 | 1 | 100% |
| 11 | 0 | 1 | 0 | 1 | 0% |
| 12 | 1 | 1 | 1 | 1 | 100% |
| 14 | 1 | 1 | 1 | 1 | 100% |
| Total | 4 | 4 | 4 | 4 | 100% |
| T 3.10.4 | | | | | |

| Financial Performance Year 0: Planning Services | | | | | |
|--|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 0 | 0 | 0 | 0 | #DIV/0! |
| Expenditure: | | | | | |
| Employees | 2239 | 4170 | 2627 | 1870 | -123% |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | #DIV/0! |
| Other | 6282 | 2507 | 3915 | 5246 | 52% |
| Total Operational Expenditure | 8521 | 6677 | 6542 | 7116 | 6% |
| Net Operational Expenditure | 8521 | 6677 | 6542 | 7116 | 6% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.10.5 |

| Capital Expenditure Year 0: Planning Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 0 | 0 | 0 | #DIV/0! | |
| Office Furniture | 0 | 0 | 0 | #DIV/0! | 280 |
| Computer Equipment | 0 | 0 | 0 | #DIV/0! | 150 |
| Project C | 0 | 0 | 0 | #DIV/0! | 320 |
| Project D | 0 | 0 | 0 | #DIV/0! | 90 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | T 3.10.6 |

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T 3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The Great Kei Local Municipality agreed to position LED as its strategic development area and core development niche focussing on investment potential which would unleash tourism in the Coast in particular.

Having agreed to the above statement the Great Kei Municipality developed and adopted an LED Strategy in 2014, and currently is under review. The LED Strategy covers the following economic sectors that were identified:

The sectors which have been identified include:

- Tourism
- Government and Community Services
- Agriculture and Aquaculture
- Trade
- Mining
- Renewable Energy
- Co-operatives

1.1 Tourism

The Great Kei Local Municipality is positioning itself as a popular tourist destination of choice. The main types of tourism undertaken includes adventure, nature based, sport and MICE. The heritage tourism is a niche market which has yet to be fully developed. Tourism products are highly concentrated along the coast with very few in the interior. Thus Heritage tourism offers an opportunity to develop the tourism and trade sector in the interior.

The area is marketed under the Wild Coast Jikaleza Route which represents product owners of Sunrise on Sea, Chefane, Chintsa and Kwelera. The Great Kei falls under the ECPTA's Wild Coast marketing destination.

1.2 Agriculture

The agricultural sector in the local municipality is a prominent economic sector. The sector however is following the provincial trend and has been in a slight decline over the past few years. This has been attributed to a decline in production as a result of less commercial farming activity in the municipality. Many commercial farmers have sold or consolidated their farms. Farms sold in land reform processes have yet to achieve similar levels of productivity. The consolidation of farms has also resulted in a decline in employment in the sector.

The municipality has both commercial, communal and emerging farmers. There are approximately 78 farmers in the Great Kei of which 45 are emerging farmers. Farming activity has been reduced in the peri-urban areas due to stock theft and vandalism. The agriculture activity which takes place includes livestock farming, game farming, crop production, vegetable production and to a lesser extent poultry production. The livestock farming, which is the most dominant activity, is of beef, sheep and goat. The crop production is of maize which 12% includes green mealies, dry maize and fodder for commercial dairies.

Chapter 3

The vegetable production takes place in homestead gardens in villages and small irrigation projects. This is usually on a subsistence level. There is no formal produce market. Farmers source their inputs from a co-op in Komga and other supplies in East London. The farm sizes vary from 50 ha to more than 1 000 ha, however the average size of a farm is between 200 ha and 500 ha. There are about 88 farms in total.

1.3 Trade

The trade sector in the Great Kei showed positive growth as from 2013 and continues to grow till today. The sector is one of bigger employers within the local sphere, and has employed +20% of the total labour force.

1.4 Mining

The mining sector in the Great Kei Municipality is relatively small. Mining activity is centred on granite mining which is being undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. An additional value add operation will be located in the Qumrha Industrial area. On average the annual turnover over a period of 5 years is expected to be R 25 million.

1.5 Renewable Energy

Renewable energy is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are all renewable. One of the noteworthy advantages of renewable energy is its sustainable nature which means it will never be exhausted.

Various LED projects had been funded by Department of Environmental Affairs, Department of Rural Development and Agrarian Reform and Department of Social Development. The municipality has been involved with facilitating of funding for SMMEs and the co-ordinating of their training.

Future plans: To develop Tourism Sector Plan, Business retention and expansion strategy. The LED unit of the municipality which adhocly is staffed by one official at the moment has a huge responsibility for local economic development. Local economic development is viewed as core in turning around the revenue and current financial position of the municipality.

Challenges: The Great Kei Municipality is operating with limited professionals, managerial and technical capacity in terms of human resources. The role of LED as a cross cutting function need to be recognised further by all departments. The implementation of LED strategy is concentrated on strategic partners and the implementation of district wide and provincial and national programmes.

T 3.11.1

Chapter 3

| Economic Activity by Sector | | | |
|-------------------------------------|------------|---------|----------|
| | | | R '000 |
| Sector | 2014/15/14 | 2015/16 | 2016/17 |
| Agric, forestry and fishing | 0 | 150 000 | 200 000 |
| Mining and quarrying | 0 | 0 | 0 |
| Manufacturing | 0 | 0 | 0 |
| Wholesale and retail trade | 0 | 0 | 0 |
| Finance, property, etc. | 0 | 0 | 0 |
| Govt, community and social services | 0 | 0 | 0 |
| Infrastructure services | 0 | 0 | 0 |
| Total | 0 | 150000 | 200 000 |
| | | | T 3.11.2 |

| Economic Activity by Sector | | | |
|-------------------------------------|-----------|-----------|----------|
| Sector | 2014/2015 | 2015/2016 | 2016/17 |
| Agric, forestry and fishing | 8% | 6% | |
| Mining and quarrying | 14% | 17% | |
| Manufacturing | 7% | 8% | |
| Wholesale and retail trade | 15% | 15% | |
| Finance, property, etc. | 17% | 11% | |
| Govt, community and social services | 18% | 21% | |
| Infrastructure services | 10% | 9% | |
| Total | 89% | 96% | |
| | | | T 3.11.2 |

| Economic Employment by Sector | | | |
|-------------------------------------|-----------|-----------|----------|
| Sector | 2015/2016 | 2016/2017 | Jobs |
| | No. | No. | 2017/18 |
| Agric, forestry and fishing | 6% | 6% | 6% |
| Mining and quarrying | 6% | 6% | 6% |
| Manufacturing | 9% | 9% | 9% |
| Wholesale and retail trade | 24% | 24% | 24% |
| Finance, property, etc. | 21% | 21% | 21% |
| Govt, community and social services | 18% | 18% | 18% |
| Infrastructure services | 7% | 7% | 7% |
| Total | 91% | 91% | 91% |
| | | | T 3.11.3 |

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

Project Title: Tourism Master Plan for the Great Kei LM

As one of the leading sectors in the economy, the tourism sector of Great Kei has no sector specific planning document. A tourism master plan is essential to improve the existing functioning of the sector and to address components that are integral to the efficient functioning of the tourism industry as a whole. Therefore, in addition to focusing on product development and transformation, the systems approach addresses components that are essential to the effective performance of the tourism

Sector as a whole namely:

- ☐ Marketing and branding
- ☐ Infrastructure development
- ☐ Human resource development
- ☐ Product development

Project Title: Support and Training for Emerging Farmers

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support.

Project Title: Establish extent of mining industry and its opportunities in The municipality

Granite mining offers a new economic prospect for the municipality, however the full extent of granite mining applications is unknown. This has a potential to reduce the levels poverty as numerous jobs would be created for local people. It shall as well contribute indirectly and directly to the municipal revenue.

Project Title: Support to LTO

Currently the Local Tourism Organisation (LTO) of the municipality, located in the Wild Coast Jikeleza Route, is privately funded by the members of the association. This organisation is currently marketing the municipality, and opportunities exist for it to extend its marketing. It however requires assistance from the Great Kei Local Municipality, in financial and institutional support for its activities.

Project Title: Mentorship, training and support programme to emerging Black owned tourism operators.

There is a shortage of black owned tourism operators in the Great Kei LM. As the number of co-operatives involved in tourism increase, there is hope that they will be in a position to formalise and develop into sustainable businesses. There is a need to mentor, train and support up and coming tourism operators. This project involves the development of a support programme for emerging tourism operators which could include aspects of the following, depending on the extent of the programme:

- Facilitate training workshops on tour guiding, business skills and first aid
- Assist with mentorship opportunities between national or local established operators
- Assistance with marketing through agreement with LTO for subsidised annual membership

Project Title: Support and Training for Emerging Farmers

Chapter 3

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support. It is anticipated that this project might involve the Great Kei Municipality facilitating interventions by the Department of Agriculture.

Project Title: Promotion of Business Chamber

The promotion of organised business involves the establishment of a business chamber for the Municipal area or at least for one of the towns. This allows the ease of participation and gaining of inputs from the business group. They are then able to lobby for business issues on a single platform.

Not only in terms of support and training but also its role to businesses. By promoting the chamber this should ensure more visibility and accessibility to business people.

Increased employment opportunities

This goal recognises the need to increase the local employment opportunities in the Great Kei LM. Out-migration of the municipality's young and potential productive labour force is a negative trend for the area. Through the creation of employment and self-employment opportunities, the municipality can retain its most productive segment of its population and this will be essential in developing the Great Kei LM. The goal will be achieved through cross cutting measures which include:

Small business development, agriculture promotion, tourism and a conducive environment for business growth. The pillars and projects which are concerned with the two objectives are:

Tourism Development:

- Mentorship, training and support programme to emerging black owned tourism operators
- Cultural village development

Institutional Support and Capacity Development:

- Fill vacant key positions

Agriculture and Agri-processing Development:

- Community aquaculture projects
- Develop niche products such as epi-culture
- Support and training for emerging farmers
- Provision of infrastructure for emerging and subsistence farmers

Enterprise Development Assistance:

- Promotion of business chamber
- Support to existing co-operative

T 3.11.4

Chapter 3

| Jobs created during 2017/18 FY (excluding EPWP projects) | | | | |
|--|------------------|-----------|----------------------------|---|
| Total jobs created/ top 3 initiatives | No. Jobs created | Jobs lost | Net jobs created in a year | Method of validating jobs created/ lost |
| 2015/16 | 745 | 0 | 745 | None |
| 2016/17 | 659 | 0 | 659 | None |
| 2017/18 | 659 | 0 | 659 | None |
| 2018/2019 | 0 | 0 | 0 | None |
| | | | | T 3.11.5 |

| Jobs created through EPWP projects | | |
|------------------------------------|-------------------|--|
| Details | No. EPWP Projects | No. Jobs created through EPWP Projects |
| 2016/17 | 1 | 87 |
| 2017/18 | 1 | 87 |
| 2018/19 | 11 | 84 |
| | | T 3.11.6 |

Chapter 3

| Local Economic Development Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|---|---|---|---|-----------------------------|------------------|---|------------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | Year 1 | 2017/18 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To create opportunities for sustainable development within the GKM area by June 2022 | LED Strategy reviewed and approved by council (Input) | LED Strategy reviewed and approved by council | Achieved | LED Strategy reviewed and approved by council | LED Strategy reviewed and approved by council | Not achieved | | | |
| | LED01: By identifying and twinning with municipality/s/ organizations with similar areas of cooperation | Signed MOU | Signed MOU | Signed Twining MOU | Signed Twining MOU | Achieved | | | |
| To create job opportunities through EPWP program by June 2022 | Number of jobs created through municipality's local economic development initiatives including capital projects (EPWP, CWP) (Output) | 400 jobs created | 100 Jobs created through EPWP programs and Projects | 400 jobs created | 500 Jobs created | 206-EPWP, 94-MIG 550-CWP | 220 jobs created | Not achieved - 174 job opportunities were created | 140 Jobs to be created |
| To promote the tourism potential of GKM by June 2022 | Oceans Economy Business Plan developed and approved by Council (Input) | 1 business plan developed for Ngxingxolo Cultural Village | Achieved | 1 business plan developed for Ngxingxolo Cultural Village | 1 business plan developed for Ngxingxolo Cultural Village | Achieved | | | |

Chapter 3

| Local Economic Development Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|---|------------|---|---|----------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2017/18 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022 | Lobby for support for the development of Agri-park (Input) | 1 communal farmer supported on Maize ploughing programmer | Achieved | 1 communal farmer supported on Maize ploughing program | 1 communal farmer supported on Maize ploughing program | Achieved | | | |
| To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022 | SMME Policy developed and approved by council (Input) | 5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building | Achieved | 5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building | 4 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building | Achieved | | | |
| | Partnership agreement developed and signed with DTI | New Target | New Target | New Target | Partnership agreement developed and signed with DTI | Achieved | | | |
| | | | | | | | | | T 3.11.7 |

Chapter 3

| Employees: LED | | | | | |
|----------------|--------------|--------------|--------------|----------------------|-----------------------------------|
| Job level | Year-2016/17 | Year-2017/18 | | | |
| | Employee no | Vacancies | Employees no | Vacancies (fulltime) | Vacancies (as a % of total posts) |
| 0-20 | 2 | 3 | 0 | 3 | |
| | | | | | T 3.11.8 |

| Financial Performance Year 0: Local Economic Development Services | | | | | |
|---|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 23 | 0 | 0 | 875 | 100% |
| Expenditure: | | | | | |
| Employees | 2897 | 5886 | 4959 | 3687 | -60% |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | #DIV/0! |
| Other | 1022 | 1680 | 1600 | 817 | -106% |
| Total Operational Expenditure | 3919 | 7566 | 6559 | 4504 | -68% |
| Net Operational Expenditure | 3896 | 7566 | 6559 | 3629 | -108% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.11.9 |

| Capital Expenditure Year 0: Economic Development Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 70 | 70 | 0 | 0% | |
| | | | | | |
| Computer, Furniture & Equipment | 70 | 70 | 0 | 0% | |
| | 0 | 0 | 0 | 0% | |
| | 0 | 0 | 0 | 0% | |
| | 0 | 0 | 0 | 0% | |
| | | | | | T 3.11.10 |

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Refer to component K of the report.

T 3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality through a variety of community and social programs responds to all the needs affecting our people within its jurisdiction. To that extent the municipality has developed and adopted the Special Programs Unit plan which seeks to regularise the mainstreaming of special grouping into all sectors existing and emerging within our space.

Furthermore the municipality has developed and adopted an indigent policy which also seeks to regularise the provision of services to indigent communities.

T 3.52

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

During 2017/18 financial year two multi-purpose centres (the elderly at Qumrha and for the disabled people at Sotho) were constructed. With respect to libraries the municipality continue to receive the subsidy from the Department of Sport, Recreation, Arts and Culture owing to the fact that this is a Provincial function in terms of Schedule 4, Part B of the Constitution of the Republic of South Africa. The municipality is performing this function on behalf of the Department and our partnership is regulated by an agreement. The funding provided by the department affords for operational costs for this function.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

T 3.12.2

| Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|--|--------------|--|---|----------|--|--|--|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | Year 1 | 2017/18 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| To ensure access to public amenities by 2022 | Number of community Halls constructed at Bhola Village, Sithungu and Silatsha Community (Outcome) | Construction of 3 community halls and 2 day care centres | Achieved | Construction of 3 community halls and 2 day care centres | 2 multi-purpose centers at Sotho and Qumrha (adult and disability centres | Achieved | 1 multi-purpose center to be constructed (1 community hall-Mzwini) | Achieved Mzwini community Hall constructed | 1 Icwili Sportsfield and 1 youth centre (ward 6) |
| | Number of Day Care Centers constructed (output) | Construction of 1 day care centres | Not Achieved | Construction of 2 day care centres | 4 public amenities to be maintained | Achieved | | | |
| | | | | | | | | | T 3.12.3 |

Chapter 3

| Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.12.4

| Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 616 | 808 | 808 | 724 | -12% |
| Expenditure: | | | | | |
| Employees | 1424 | 1815 | 1530 | 1297 | -40% |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | #DIV/0! |
| Other | 962 | 713 | 1063 | 118 | -504% |
| Total Operational Expenditure | 2386 | 2528 | 2593 | 1415 | -79% |
| Net Operational Expenditure | 1770 | 1720 | 1785 | 691 | -149% |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.12.5

Chapter 3

T.3.12.4 N/A

T.3.12.5 N/A

T 3.12.7- Refer to Chapter 4-5

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Refer to component K of the report.

T 3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES & CREMATORIUMS

Refer to component K of the report.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIUMS

T 3.13.2

| Cemeteries and Crematoriums Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------|-------------------------|---------|-------------------------|------------------------|---------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2017/18 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2015/16 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |

Chapter 3

| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
|---|---|---|----------|---|---|--------------|--------|------|-----------------|
| Service Objective xxx | | | | | | | | | |
| To improve management of cemeteries by June 2022 | Number of reports on Implementation of Cemetery Management Plan (Input) | Final draft integrated cemetery management plan approved by council | Achieved | Final draft integrated cemetery management plan approved by council | 4 reports on Implementation of Cemetery Management Plan | Not Achieved | | | |
| | | | | | | | | | |
| | | | | | | | | | <i>T 3.13.3</i> |

Chapter 3

Employees: Cemeteries and Crematoriums

| Job Level/Task grade | Year - 2016/17 | Year 2017/18 | | | |
|----------------------|----------------|--------------|-----------|----------------------------------|-----------------------------------|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 - 12 | 2 | 2 | 2 | 2 | 100% |
| 13 - 15 | | 1 | 1 | 1 | 100% |
| | | | | | |
| T 3.13.4 | | | | | |

Financial Performance Year 0: Cemeteries and Crematoriums

| R'000 | | | | | |
|-------------------------------|---------|-----------------|-------------------|--------|--------------------|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 2455 | 2 | 3 | 2 | 0% |
| Expenditure: | | | | | |
| Employees | 458 | 466 | 466 | 253 | -84% |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0% |
| Other | 28 | 53 | 53 | 0 | 0% |
| Total Operational Expenditure | 486 | 519 | 519 | 253 | -105% |
| Net Operational Expenditure | -1969 | 517 | 516 | 251 | -106% |
| T 3.13.5 | | | | | |

Capital Expenditure Year 0: Cemeteries and Crematoriums

| R' 000 | | | | | |
|-----------------------|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 250 | 250 | 55 | -355% | |
| Fencing of cemeteries | 250 | 250 | 55 | -355% | 280 |
| Project B | 0 | 0 | 0 | 0% | 150 |
| Project C | 0 | 0 | 0 | 0% | 320 |
| Project D | 0 | 0 | 0 | 0% | 90 |
| T 3.13.6 | | | | | |

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

Refer to component K of the report.

T 3.13.7

Chapter 3

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Refer to component K of the report.

T 3.14.1

SERVICE STATISTICS FOR CHILD CARE

This is not the GKM function.

T 3.14.2

Chapter 3

Financial Performance Year 0: Child Care; Aged Care; Social Programs

| R'000 | | | | | |
|--|---------|-----------------|-------------------|--------|--------------------|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 39 | 56 | 50 | 41 | -37% |
| Expenditure: | | | | | |
| Employees | 0 | 0 | 0 | 0 | 0% |
| Repairs and Maintenance : Old Age Home | 22 | 100 | 100 | 12 | -733% |
| Other | 0 | 0 | 0 | 0 | 0% |
| Total Operational Expenditure | 22 | 100 | 100 | 12 | -733% |
| Net Operational Expenditure | -17 | 44 | 50 | -29 | 252% |
| | | | | | T 3.14.5 |

Capital Expenditure Year 0: Child Care; Aged Care; Social Programs

| R' 000 | | | | | |
|------------------|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 0 | 0 | 0 | 0% | |
| Project A | 0 | 0 | 0 | 0% | 0 |
| Project B | 0 | 0 | 0 | 0% | 0 |
| Project C | 0 | 0 | 0 | 0% | 0 |
| Project D | 0 | 0 | 0 | 0% | 0 |
| | | | | | T 3.14.6 |

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Chapter 3

Refer to component K of the report.

T 3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection is performed by public amenities section under community service department.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The municipality is utilising the ADM's air pollution policy as our municipality falls under its jurisdiction

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

Only the ADM statistics may reveal district pollution control that exists

T 3.15.2

Chapter 3

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The ADM may be the only institution able to provide performance of pollution control as this is currently performed at this level owing to capacity

T 3.15.7

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The municipality through its public amenities plan maintains all its public spaces and a unit that focuses on grass cutting, beautification and cleaning.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

On a weekly basis the unit do grass cutting and beautify and do landscaping on identified areas

T 3.16.2

Chapter 3

| Employees: Bio-Diversity (Working for water and Working on Wetlands) | | | | | |
|--|------------------|---------------|-----------|--|--------------------------------------|
| Job Level/ Task grade | Year- 2016/17 | Year- 2017/18 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 - 12 | 1 | 1 | 1 | 1 | 100% |
| 13 - 15 | | 1 | 11 | 1 | 100% |
| | | | | | |
| | | | | | T 3.16.4 |

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

This is not the GKM function.

T 3.16.7

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

This is not municipal mandate it resides with Department of Health.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

This is not the GKM function.

T 3.17.1

Concerning T 3.17.2

This is not the GKM function.

T 3.17.2.1

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

Chapter 3

This is not the GKM function.

T 3.17.7

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

This is not the GKM function.

T 3.18.1

Concerning T 3.18.2

This is not the GKM function.

T 3.18.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

This is not the GKM function.

T 3.18.7

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION;
ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

This is not the GKM function.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, etc.

This is not the GKM function.

T 3.19.2

Chapter 3

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The Safety and Security section consists of Traffic Services and Security Services which were located in the Budget and Treasury Office in the previous financial year but have since been moved to Community Services as it belonged to in terms of institutional organogram. Traffic department offers the following services: motor vehicle registrations and licensing, driving licence testing, learners license testing, traffic law enforcement. Traffic Services is currently operating with four traffic officers and three cashiers. The traffic services is short staffed and in need for additional traffic officers for its operations to run smoothly without the intervention of the Department of transport. Security services is running with eleven (11) permanent securities 1 senior security. The main function of this section is to safeguard the assets on the municipality and the demand is increasing due to the increasing crime rate and shortage of security equipment.

T 3.20

3.20 POLICE

INTRODUCTION TO POLICE

This is not the GKM function.

T 3.20.1

This is not the GKM function.

T 3.20.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

This is not the GKM function.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

This is not the GKM function as it devolved to District Municipality

T 3.21.1

Concerning T3.21.2

This is not the GKM function.

T

3.21.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

This is not the GKM function.

T 3.21.7

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The municipality has developed public nuisance by-law which still need to be promulgated. Public hearings were conducted , the municipality is busy soliciting funding for the promulgation of the by-laws.

T 3.22.1

N/A

T 3.22.2

Chapter 3

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

This function has not been performed yet owing to promulgation of the by-law

T 3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

This is not the GKM function.

T 3.23

3.23 SPORT AND RECREATION

This is not the GKM function.

T 3.23.1

Chapter 3

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

This is not the GKM function.

T 3.23.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, etc.

Great Kei Municipality administration comprises of four (4) Directorates, that being Technical and Community Services, Budget and Treasury Office, Strategic Services and Corporate Services Department. The Corporate Services Department being responsible for support services which include the Human Resources function with all its responsibilities and Administration & Council Support.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Refer to Component K of the report T

3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T 3.69.2

Chapter 3

| The Executive and Council Policy Objectives Taken From IDP | | | | | | | | | |
|---|--|---|--|---|---|--|---|--|--|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2017/18 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure effective functioning of Council and its committees by June 2022 | Number of Council and standing committee meetings set in line with 2015/16 council calendar (Output) | 4 Ordinary Council meetings. 20 Standing Committee meetings | 8 Ordinary & 3 Special Council meetings . 30 Standing Committees | 4 Ordinary Council meetings. 20 Standing Committee meetings | 4 Ordinary Council meetings. 20 Standing Committee held | 4 Ordinary & 7 Special Council meetings 20 Standing Committees | 4 Ordinary Council meetings. 20 Standing Committee held | 4 Ordinary Council meetings 20 Standing Committee held | 4 Ordinary Council meetings s 20 Standing Committee held |
| To ensure effective functioning of Oversight Committees by June 2022 | MPAC meetings held before the sitting of Council (Output) | 4 meetings | 14 Meetings | 4 meetings | 4 MPAC | 17 MPAC meetings held | 4 meetings | 4 meetings | 4 meetings |
| | | | | | | | | | T 3.24.3 |

Chapter 3

| Employees: The Executive and Council | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |
| <i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> | | | | | |
| | | | | | <i>T 3.24.4</i> |

| Financial Performance Year 0: The Executive and Council | | | | | |
|---|---------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 104 | 0 | 65 | 331 | 100% |
| Expenditure: | | | | | |
| Employees | 6093 | 6543 | 6685 | 6690 | 2% |
| Repairs and Maintenance | 0 | 50 | 50 | 4 | -1150% |
| Other | 1329 | 1463 | 1317 | 1051 | -39% |
| Total Operational Expenditure | 7422 | 8056 | 8052 | 7745 | -4% |
| Net Operational Expenditure | 7318 | 8056 | 7987 | 7414 | -9% |

Chapter 3

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.24.5

| Capital Expenditure Year 0: The Executive and Council | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| | | | | | R' 000 |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 0 | 0 | 0 | #DIV/0! | |
| Computer Equipment | 0 | 0 | 0 | #DIV/0! | 0 |
| Office Furniture | 0 | 0 | 0 | #DIV/0! | 0 |
| | 0 | 0 | 0 | #DIV/0! | 0 |
| | 0 | 0 | 0 | #DIV/0! | 0 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | |

T 3.24.6

Chapter 3

| Debt Recovery | | | | | | | |
|---|------------------------------------|---|----------------|------------------------------------|---|---|---|
| Details of the types of account raised and recovered | Year -1 | | Year 0 | | | Year 1 | |
| | Actual for accounts billed in year | Proportion of accounts value billed that were collected in the year % | Billed in Year | Actual for accounts billed in year | Proportion of accounts value billed that were collected % | Estimated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| | | | | | | | |
| Property Rates | 12 000 | 30% | 19 965 255 | 16 270 310 | 81% | 17 246 528.60 | 81% |
| Electricity - B | | | | | | | |
| Electricity - C | 3 821 | 33% | 2 798 873 | 2 041 879 | 71% | 2 164 391.74 | 71% |
| Water - B | | | | | | | |
| Water - C | | | | | | | |
| Sanitation | | | | | | | |
| Refuse | 12 000 | 10% | 4 317 157 | 2 557 841 | 51% | 2 711 311.46 | 51% |
| Other | | | | | | | |
| <i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i> | | | | | | | <i>T 3.25.2</i> |

| Employees: The Executive and Council | | | | | |
|--------------------------------------|--------------|--------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 2017/18 | Year 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 7 - 9 | 6 | 6 | 6 | 0 | 0% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |
| Total | 8 | 8 | 8 | 0 | 0% |

Chapter 3

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|--|---------------|--|--|---------------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure proper management of GKM assets by 2022 | Asset policy and updated asset register approved by council (Input) | Asset policy and updated asset register approved by council. | Achieved | Asset policy and updated asset register approved by council. | Asset policy and updated asset register approved by council. | Achieved | | | |
| To ensure adherence to Supply Chain Management Regulations by June 2022. | SCM policy reviewed and approved by council (Input) | SCM policy reviewed and approved by council | Achieved | SCM policy reviewed and approved by council | SCM policy reviewed and approved by council | Achieved | | | |
| | Suppliers Day held (Output) | 1 Suppliers day held | Achieved | 1 Suppliers day held | 1 Suppliers day held | Achieved | | | |
| | % of tenders concluded in accordance with (tender validity timeframe) (Output) | 100% | 100% Achieved | 100% | 100% | 100% Achieved | | | |

Chapter 3

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|--|--------------------------------------|--|--|---|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| To have effective and efficient expenditure management processes and systems by 2022 | % of MIG Funding expenditure (Output) | 100% | 100% Achieved | 100% | 100% | 97% Achieved | | | |
| | Irregular, Fruitless and Wasteful and Unauthorized Expenditure report (Input) | 0% | 0% | 0% | 0% | 0% | | | |
| | Creditors payment period (Output) | 30 days | 24% of creditors paid within 30 days | 30 days | 30 days | 11.4% of creditors were paid within 30 days | | | |
| To strengthen reporting mechanisms in line with Municipal Finance Management Act and Treasury Regulations by June 2022 | Compliance reports submitted as per MFMA (Input) | Submission of compliance reports within specified time frame | Achieved | Submission of compliance reports within specified time frame | Submission of compliance reports within specified time frame | Achieved | | | |
| | Number of Municipal standard charts of accounts compliance repots to Council (Input) | New indicator | New indicator | New indicator | 4 mSCOA compliance reports | Achieved | | | |

Chapter 3

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|---|----------|---|---|----------------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| To adhere to all budget regulations and budget reforms by June 2022 | Annual approved budget by council for 2017/18 | Annual approved budget by council for 2016/17 | Achieved | Annual approved budget by council for 2016/17 | Annual approved budget by council for 2017/18 | Achieved | | | |
| To ensure that the municipality has effective revenue collection system consistent with Section 95 of the MSA and municipality’s credit and debt control policy (Section 64 MFMA) by 2022. | % increase in actual revenue collection (Output) | Increase of revenue collection by 5% | 77% | Increase of revenue collection by 5% | 8% increase | 65% collection | | | |
| To ensure availability , review and implementation of Indigent | % of indigent beneficiaries receiving free basic services (Output) | Indigent Policy and Indigent Register approved by council | Achieved | Indigent Policy and Indigent Register approved by council | 100% | 100% achieved | | | |

Chapter 3

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|---|---|---|---|--|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | Year 1 | 2018/19 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| Policy and by June 2022 | | | | | | | | | |
| To ensure improvement of audit outcomes by 2022. | Improvement in Audit Opinion (Outcome) | Improvement in Audit opinion (Unqualified) | 2014/15 Unqualified Audit Opinion | Improvement in Audit opinion (Unqualified) | Improvement in Audit opinion (Unqualified) | Unqualified | | | |
| To ensure management of organizational and mitigation of risks by June 2022 | % implementation of action plan to mitigate identified risks (Output) | 100% of identified risks mitigated | 100% Achieved | 100% of identified risks mitigated | 100% of identified risks mitigated | Achieved | | | |
| To enhance the enforcement of National Road Traffic Act 93 of 1996 and by-laws by 2022 | Number of Motor Vehicle registrations, bookings and renewals of drivers licenses (Output) | 1.900 learners' license and 900 driver's license. 3. 120 drivers renewal | 1. Learners license- 1084 and Driver's license- 1666 Drivers renewals- 339 | 1.900 learners' license and 900 driver's license. 3. 120 drivers renewal | 1.900 learners' license 2. 900 driver's license. 3. 120 drivers renewal 4. 180 fines issued | 1. Learners' license- 1212 2. Driver's license- 2444 3. Drivers renewal- 959 4. Fines issued- 181 | | | |
| | | | | | | | | | T 3.25.3 |

Chapter 3

| Financial Performance Year 0: Financial Services | | | | | |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 73046 | 91694 | 82926 | 71309 | -29% |
| Expenditure: | | | | | |
| Employees | 13814 | 16070 | 15355 | 14699 | -9% |
| Repairs and Maintenance | 260 | 50 | 20 | 40 | -25% |
| Other | 76367 | 35781 | 35393 | 32497 | -10% |
| Total Operational Expenditure | 90441 | 51901 | 50768 | 47236 | -10% |
| Net Operational Expenditure | 17395 | -39793 | -32158 | -24073 | -65% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | |
| T 3.25.5 | | | | | |

| Capital Expenditure Year 0: Financial Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 1350 | 750 | 168 | -704% | |
| Computer Equipment | 0 | 60 | 0 | 0% | 0 |
| IT Related Services | 1350 | 690 | 168 | 0% | 0 |
| Office Furniture | 0 | 0 | 0 | 0% | 0 |
| Project D | 0 | 0 | 0 | 0% | 90 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | |
| T 3.25.6 | | | | | |

Chapter 3

| Employees: Financial Services | | | | | |
|-------------------------------|--------------|--------------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 2017/18 | Year 2016/17 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 7 - 9 | 13 | 14 | 13 | 0 | 0% |
| 10 - 12 | 7 | 9 | 7 | 0 | 0% |
| 13 - 15 | 9 | 15 | 9 | 0 | 0% |
| 16 - 18 | 5 | 7 | 5 | 0 | 0% |
| Total | 34 | 45 | 34 | 0 | 0% |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Refer to Component K of the report

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

According to the 2015/16 organogram the municipality has managed to fill 95% of vacant funded positions which includes middle management and specialists in various fields. That is evident in the audit opinion achieved by the municipality (unqualified).

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T 3.26.2

Chapter 3

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|---|----------|---|---|----------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure compliance with the Employment Equity Act by June 2022 | % of Employment equity Plan target implemented (Output) | 20% of Employment equity Plan target implemented | 41% | 20% of Employment equity Plan target implemented | 15 % of Employment equity Plan target implemented | 27% | | | |
| To ensure proper coordination of payroll information by June 2022 | Number of compliance reports on payroll errors reduced (Input) | 4 Reports | Achieved | 4 Reports | 4 Reports | Achieved | | | |
| To ensure Proper Leave Management by June 2022 | Number of compliance on Pay-Day Leave System Reports (Input) | 4 Reports | Achieved | 4 Reports | 4 reports on accurate leave records | Achieved | | | |
| To ensure review of municipality's organizational Structure and ensure alignment with the IDP Strategies, Objectives and | 2017/18 Organization structure reviewed and approved by council (Input) | 2016/17 Organization structure reviewed and approved by council | Achieved | 2016/17 Organization structure reviewed and approved by council | 2017/18 Organization structure reviewed and approved by council | Achieved | | | |
| | The average length of time it takes to fill a post (Output) | Recruitment Plan approved by Council | Achieved | Recruitment Plan approved by Council | 3 months for positions below S54 and S56 | Achieved | | | |

Chapter 3

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|---|----------|---|---|-------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| available resources by June 2022. | | | | | | | | | |
| To ensure the development, review, Implementation and monitoring of WSP for Municipal Staff and Councilors by June 2022. | Workplace Skills Plan reviewed and approved by council (Input) | Workplace Skills Plan developed and adopted | Achieved | Workplace Skills Plan developed and adopted | Workplace Skills Plan reviewed and approved by council | Achieved | | | |
| To contribute in enhancing capacity of oversight structures of the municipality (MPAC, AC) by June 2022 | % of staff actually trained as per the WSP (Output) | 50% | 76% | 50% | 100% | 68% | | | |
| | Number of trainings on Oversight members (Output) | 2 trainings | Achieved | 2 trainings | 3 trainings | 2 trainings | | | |
| To ensure compliance with applicable legislation, regulations, policies and | Number of Municipal Policies reviewed and approved by council (Input) | Number of Policies reviewed and adopted. | Achieved | Number of policies reviewed and adopted | All municipal policies reviewed and approved by council | Achieved | All municipal policies reviewed and | All municipal policies reviewed and | All municipal policies reviewed and |

Chapter 3

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------|------------------------|---------|------------------------|-----------------------|---------|---------------------|---------------------|---------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| procedures by June 2022 | | | | | | | approved by council | approved by council | approved by council |
| | | | | | | | | | T 3.25.3 |

Chapter 3

| Employees: Human Resource Services | | | | | |
|------------------------------------|-------------------|-------|-------------------|----------------------------------|-----------------------------------|
| Job Level | 2017/18 Employees | Posts | 2016/17 Employees | Vacancies (fulltime Equivalents) | Vacancies (as a % of Total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

| Financial Performance Year 0: Human Resource Services | | | | | |
|---|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 72 | 100 | 100 | 12 | -733% |
| Expenditure: | | | | | |
| Employees | 7664 | 7987 | 7707 | 6135 | -30% |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0% |
| Other | 6925 | 4080 | 7065 | 4737 | 14% |
| Total Operational Expenditure | 14589 | 12067 | 14772 | 10872 | -11% |
| Net Operational Expenditure | 14517 | 11967 | 14672 | 10860 | -10% |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

| Capital Expenditure Year 0: Human Resource Services |
|---|
| R' 000 |

Chapter 3

| Capital Projects | Year 0 | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 0 | 0 | 0 | #DIV/0! | |
| Project A - Office Furniture | 0 | 0 | 0 | #DIV/0! | 0 |
| Project B - Equipment | 0 | 0 | 0 | #DIV/0! | 0 |
| | 0 | 0 | 0 | #DIV/0! | 0 |
| | 0 | 0 | 0 | #DIV/0! | 0 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | |

T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

For the past 5 years the municipality has managed to train all councillors and managers on performance management system, oversight training for councillors, municipal finance management programme, risk management etc.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT section has managed to develop ICT Master Plan and Policy to guide and regulate ICT day to day programmes. These policies have been approved by council.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

T 3.27.2

| ICT Services Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|-----------------------------------|----------|-----------------------------------|--|----------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | Year 1 | 2018/19 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year-2016/17 | 2016/17 | *Previous Year-2016/17 | *Current Year-2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Ensure effective and efficient Information and communication technology systems by June 2022 | ICT policies approved by council (Input) | ICT policies approved by council | Achieved | ICT policies approved by council | ICT policies reviewed and approved by council | Achieved | | | |
| | IT Masterplan approved by council (Input) | IT Masterplan approved by council | Achieved | IT Masterplan approved by council | IT Masterplan reviewed and approved by council | Achieved | | | |
| | | | | | | | | | <i>T 3.27.3</i> |

Chapter 3

| Employees: ICT Services | | | | | |
|-------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.27.4

Chapter 3

| Employees: ICT Services | | | | | |
|-------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 - 12 | 2 | 3 | 2 | 1 | 33% |
| Total | 2 | 3 | 2 | 1 | 33% |

| Financial Performance Year 0: ICT Services | | | | | |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year - 1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 0 | 0 | 0 | 0 | #DIV/0! |
| Expenditure: | | | | | |
| Employees | 0 | 0 | 0 | 0 | #DIV/0! |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | #DIV/0! |
| Other | 0 | 0 | 0 | 0 | #DIV/0! |
| Total Operational Expenditure | 0 | 0 | 0 | 0 | #DIV/0! |
| Net Operational Expenditure | 0 | 0 | 0 | 0 | #DIV/0! |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | |
| T 3.27.5 | | | | | |

3.27.5 and 3.27.6 the financial information for ICT services is not separated from BTO's Office.

| |
|---|
| COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL: |
| Refer to Component K of the report. |
| T3.27.7 |

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

| |
|---|
| INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES |
| Refer to Component K of the report |
| T3.28.1 |

Chapter 3

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T 3.28.2

Chapter 3

| Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP | | | | | | | | | |
|---|--|---|------------|---|---|------------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | 2018/19 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | Key Performance Indicator | *Previous Year- 2016/17 | 2016/17 | *Previous Year- 2016/17 | *Current Year- 2017/18 | 2017/18 | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| To ensure management of organizational and mitigation of risks by June 2022 | Number of reports on the implementation of Anti-Fraud and anti-corruption plan (Input) | 4 reports | Achieved | 4 reports | 4 reports | Achieved | | | |
| | Risk and fraud management policy reviewed and approved by council (Input) | Risk and fraud management policy reviewed and approved by council | Achieved | Risk and fraud management policy reviewed and approved by council | Risk and fraud management policy reviewed and approved by council | Achieved | | | |
| | Number of RIMCO meetings held (Output) | 4 meetings | 4 meetings | 4 meetings | 4 RIMCO meetings | 4 meetings | | | |
| Ensure effective and efficient resolution of legal cases by 2017 | Report on number of litigation received (Input) | 4 reports | Achieved | 4 reports | 4 reports | Achieved | | | |
| | | | | | | | | | T 3.28.3 |

Chapter 3

Chapter 3

| Employees: Property; Legal and Procurement Services | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 7 - 9 | 3 | 3 | 3 | 0 | 0% |
| 10 - 12 | 1 | 2 | 1 | 1 | 50% |
| 16 - 18 | 1 | 2 | 1 | 1 | 50% |
| Total | 5 | 7 | 5 | 2 | 29% |

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Refer to Component K of the report

T 3.28.7

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

This is not GKM function



T 3.29.0

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

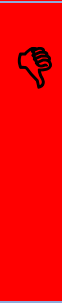

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE PROVISION.

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|--|--|---|---|----------------------------------|---|------------------------------------|---|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure accessible roads within the Great Kei Local Municipal Area by June 2022 | SD01: By constructing and <u>maintaining</u> gravel roads | Number of km to be constructed through MIG (Output) | 4.7 km of gravel roads to be constructed | 5.7 km of gravel roads to be constructed. | 5km of gravel roads to be constructed in 2018/19 | Achieved 10,3 kms constructed |  | Practical completion certificate | Overachievement due to reprioritization of projects. Tainton and Taiwan were added roads. | None | Infras & Comm Serv |
| | | Number of square meters of porthole patching to be maintained through EPWP & internal funding (Output) | 6 KMs of gravel roads maintained | 2 KMs of gravel roads maintained. | 350 square meters maintained per maintenance plan | 286 square meters maintained |  | Signed standing committee reports. | Due to insufficient budget and the asphalt material ran out. | Material will only be procured for the set target for the financial year. This has been budgeted for 2019/20. | Infras & Comm Serv |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|--|--|-----------------|---|---|---|----------------------------------|---|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure provision of public amenities by June 2022. | SD02: By Constructing and maintaining public amenities. | Number of public amenities' to be constructed (Output) | 2 multi-purpose centers at Soto and Komga (adult and disability centers) | Achieved | 1 multi-purpose center constructed (1 community hall-Mzwini) | Achieved Mzwini community Hall constructed |  | Practical completion certificate | None | None | Infras & Comm Serv |
| To increase access to electricity in Great Kei Communities by 2022 | SD03: Solicit funding from DOE and potential funders | Number of applications submitted to DoE for funding (Input) | 1 application submitted to DoE | Achieved | 1 Application submitted to DoE | Achieved |  | Proof submission & Gazette | None | None | Infras & Comm Serv |
| | SD04: By Upgrading and maintaining the electrical network | Increase of Notified Maximum Demand and Upgrading of Komga intake switching rooms (Output) | Chintsa East Phase II Reticulation project completed | <u>Achieved</u> | Increase of Notified Maximum Demand and Upgrading of Komga intake | Not achieved |  | Completion Certificate | Funding for this project was withdrawn by NT due to late start of 2018/19 projects, | The portion of the work which was not completed will be moved to 2019/20 plan. | Infras & Comm Serv |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|--|--|--|------------------------------------|--------------|--|--|---|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | | | | | switching rooms | | | | owing to unrest. | | |
| To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use Management Systems | SD05: By ensuring compliance of the Municipality with SPLUMA implementation to ensure spatial planning to unlock economic development | <u>Land Use Scheme developed</u> (Input) | Final Land Audit report completed and adopted by council | Final report complete d but not adopted by council | <u>Land Use Scheme developed</u> | Not achieved |  | Proof of assistance sourced from ADM and RDLR. Copy of Land Use Scheme | This could not be done due to budget constraints. | Sourced assistance from Cogta and ADM, but no positive response received from Cogta. | DTS & CS |
| | | 100% of submitted development applications processed (Input) | 100% of submitted development applications processed within 3 months | Achieved | Processing 100% of submitted plans | Achieved |  | Signed quarterly report to standing committee | None | None | Infras & Comm Serv |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|--|--|---------------------------------------|---|----------------------------------|---|--|--|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure that National Building Regulations are adhered to by 2022 | SD06: By implementing National Building regulations within the GKM area | 100% of submitted building plans processed (Input) | 100% of submitted building plans processed within 3 months | Achieved | 100% approval of building plans within 3 months | Achieved |  | Signed Reports per quarter to Standing Committee | None | None | Infras & Comm Serv |
| To facilitate the provision of sustainable human settlement within GKM by June 2022 | SD07: By Facilitating access to Housing as per the Great Kei Housing Sector Plan | Number of beneficiaries captured in the National Housing Needs Register (output) | 200 Beneficiaries captured in the NHNR | 856 | 570 Zone 10 Beneficiaries captured in the NHNR | Not achieved |  | Signed Reports per quarter to Standing Committee | No access to NHNR due to non-trained data capturers by dpt of Human Settlements. | To source assistance from the dpt of Human Settlements to conduct training. | Infras & Comm Serv |
| To ensure a safe and secure environment by June 2022 | SD08: By Coordinating sitting of community safety forum. | Number of Safety Forum meetings held (Output) | 4 Meetings | 4 GKM local community Safety meetings | 4 GKM local community Safety meetings per year | 2 community Safety meetings held |  | Attendance registers. Minutes | 2 meetings didn't sit due to non-functional of the appointed structure. | The Forum has since been revived and members have been elected. | Infras & Comm Serv |

Chapter 3



| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|--|---|--|--|--------------------------|---|--|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | | GKM Disaster Management plan developed (Input) | GKM Disaster Management plan developed and approved by council | Not achieved | GKM Disaster Management plan developed | Achieved. Plan developed |  | Copy of a GKM Disaster Management plan. | None | None | Infras & Comm Serv |
| To ensure improved solid waste management by June 2022 | SD09: By implementing integrated Waste Management Plan in line with NEMWA | Number of households with access to weekly refuse removal (Output) | 18 additional households | Not achieved. Increase collection points by 8 households | 4335 households with access to weekly refuse removal | Achieved |  | Quarterly Reports to standing Committee | None | None | Infras & Comm Serv |
| | SD10: By undertaking rehabilitation and the closure of the Komga landfill site | Number of refuse removal truck & roro bins procured (Output) | 4 progress reports on rehabilitation and closure of landfill site | 3 reports | Procuring of 1 refuse removal truck and 2 roro bins | Achieved |  | Copy of Advert. Specification. Proof of truck delivery | None | None | Infras & Comm Serv |

Chapter 3




| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|---|---|--------------|---|--------------|---|---|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To Co-ordinate improvement of Municipal Environmental Management by 2022 | SD11: By developing and implementing integrated environmental management plan in line with NEMA | Draft IEMP developed (Input) | 4 reports on developing and implementing integrated environmental management plan | Not achieved | <u>Draft IEMP developed</u> | Not achieved |  | Copy of Draft IEMP. | Draft IEMP could not be finalized in time due lack of capacity. | 1 st draft has been developed. Still engaging relevant stakeholders (ADM) | Infras & Comm Serv |
| To improve management of cemeteries by June 2022 | SD12: By implementing Cemetery management plan | Data Cemetery in Komga & Kei Mount consolidated and developed (Input) | 4 reports on Implementation of Cemetery Management Plan | Not achieved | Data Cemetery in Komga & Kei Mount consolidated and developed | Not achieved |  | Quarterly Reports to standing Committee | Project completed late in the 4 th quarter but could not be tabled to the standing committee due to some cemeteries unidentified. | Report to be tabled to the standing committee in the 1 st Qrt 2019/20. | Infras & Comm Serv |

Chapter 3



KPA 2: LOCAL ECONOMIC DEVELOPMENT

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|--|---|--|---|-----------|---|---|--|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To create opportunities for sustainable development within the GKM area by June 2022 | LED01: By identifying and twinning with municipality/s/ organisations with similar areas of cooperation. | 1 MOU signed and report on the implementation (Input) | 1 MOU signed and 1 implementation report (twinning) | Achieved. Signed MOU with Sibanye Stillwater | 1 MOU signed and implemented | Draft MoU |  | Signed MOU and implementation reports. | The MOU was signed by the municipality and sent to Sibanye. However it has not yet been signed by Sibanye due to ongoing consultations between the municipality and Sibanye. | To be implemented from the 1 st Qtr. 2019/20 | Strategic Services |
| | | <u>Number of reports on implementation of LED Strategy (Input)</u> | LED Strategy reviewed and approved by council | Not achieved | 2 reports on implementation of LED Strategy | Achieved |  | Quarterly LED I implementation report to Standing committee | None | None | Strategic Services |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|--|-----------------------------------|-------------------------------|--------------------------------|---|---|--|--|--------------------------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | | Number of Agricultural Forum Meetings held (Output) | 4 Agricultural Forum Meetings | 3 Agricultural Forum Meetings | 4 Agricultural Forum Meetings | 4 Agricultural Forum Meetings |  | Minutes and attendance registers | None | None | Strategic services |
| To create job opportunities through EPWP programme by June 2022 | LED02: Support initiatives geared towards mass job creation and sustainable livelihoods | Number of job opportunities created through EPWP & MIG projects (output) | 500 jobs created | <u>206</u> -EPWP, 94-MIG | 220 jobs created | Not achieved - 174 job opportunities were created |  | Proof of employment / Reports on jobs created. | 220 jobs target not achieved due to over targeting of job opportunities. | To plan realistic during 2019/20 FY. | DTS |
| | | Number of job opportunities created through CWP projects (output) | 500 jobs created | <u>550</u> -CWP | 550 jobs created | 556 jobs created |  | Proof of employment / Reports on jobs created | None | None | Strategic Services |

Chapter 3




| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|---|--|--------------|--|-------------------------|---|---|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To promote the tourism potential of GKM by June 2022 | LED03: By marketing GKM as a tourism destination through developing tourism routes | Number of Oceans Economy Projects & ToR developed for Business Plan (Input) | Oceans Economy Business Plan developed and approved by Council | Not achieved | 3 oceans projects identified and ToR developed for Business Plan | Achieved. ToR developed |  | ToR developed for oceans economy business plan | None | None | Strategic Services |
| | LED04: Lobby funding for high impact projects | Number of STR projects advertised & adjudicated (Input) | Small Town Regeneration Strategy developed and approved by Council | Achieved | 3 Projects on STR advertised & adjudicated | Not achieved |  | Advert on 3 projects / Expression of interest submitted | Lease & Land disposal policy was only approved at the end of 2018/19 FY. | This has been included in the 2019/20 final SDBIP. | Strategic Services |

Chapter 3




| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|--|---|---|----------|---|---------------------|---|--|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022 | LED05: By supporting and monitoring Agrarian and Farming Production and Programmes in partnership with DRDAR | Komga Agri-park business plan developed and approved by Council (Input) | Develop implementation Plan for the development of AgriPark | Achieved | Komga Agri-park business plan developed and approved by Council | Achieved |  | Approved Business Plan. Council resolutions | None | None | Strategic Services |
| To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022 | LED6: Lobby technical support and funding from potential funders to support SMME's & Co-operatives | Number of SMME's supported (Output) (Input) | SMME Policy developed and approved by council | Achieved | 4 SMME's supported | 13 SMME's supported |  | Report on SMME's supported to the Standing Committee | None | None | Strategic Services |

Chapter 3



KPA 3: FINANCIAL VIABILITY AND MANAGEMENT

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|---|---|----------|---|----------|---|--|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure proper management and maintenance of GKM assets by June 2022 | FM01: By developing and maintaining a GRAP compliant asset register. | Asset policy and updated asset register approved by council (Input) | Review of asset policy and maintenance register | Achieved | Asset policy and updated asset register approved by Council | Achieved |  | Council resolutions. Copy of approved policy | None | None | BTO |
| To maintain effective and efficient procurement and expenditure management processes and | FM02: By ensuring adherence to Supply Chain Management Regulations | SCM policy reviewed and approved by council (Input) | SCM policy reviewed and approved by council | Achieved | SCM policy reviewed and approved by council | Achieved |  | Council resolutions. Copy of approved policy | None | None | BTO |
| | | Suppliers Day held (Output) | 1 Suppliers Day held | Achieved | 1 Suppliers Day held | Achieved |  | Attendance register and minutes | None | None | BTO |

Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|----------------------|--------------|--|---|---------------|---|--------------------|--|---|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| systems by June 2022 | | % of tenders concluded in accordance with (tender validity timeframe) (Output) | 100% | 100% achieved | 100% | 100% achieved |  | Copy of advert and appointment letters. | None | None | BTO |
| | | Procurement plans signed off by the Accounting Officer (input) | Procurement plans signed off by the Accounting Officer. | Achieved | Signed procurement plans by the accounting officer | Archived |  | Signed procurement plans | None | None | BTO |
| | | Number of SCM implementation reports (Input) | 4 reports on the implementation of the SCM policy | Achieved | Four reports on the implementation of the SCM policy. | Achieved 4 reports |  | Quarterly reports to the standing committee | None | None | BTO |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|--|--|-----------------------------------|--------------|---------------------------------|--------------|---|------------------------------------|---|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| Expenditure management processes and systems by 2022 | FM03: By Implementing expenditure management in terms of Section 65 and 66 of MFMA | Creditors payment period (Output) | 30 days | Not achieved | 30 days | Not achieved |  | Monthly creditors' payment report. | Nonpayment of Creditors within 30 Days emanates from Financial Constraints that the Municipality is facing. | To implement Financial recovery plan. Assistance has been sourced from EC Premiers Office. | BTO |
| | | Payments of salaries and allowances as per the prescribed time (input) | Payment of salaries on deadline | Not achieved | Payment of salaries on deadline | Achieved |  | Section 66 reports | None | None | CFO |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---------------|--------------|---|-----------------------------------|--------------|--------------------------------|--------------------------|----------|--|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | | Irregular, Fruitless and Wasteful and Unauthorized Expenditure report (Input) | 0% | Not achieved | 0% | Not achieved | | Irregular, Fruitless and Wasteful and Unauthorized Expenditure reports | Fruitless and Wasteful Expenditure emanates from Nonpayment of Creditors and 3rd parties within regulated time frames. | To Implement Financial Recovery plan. | All Directorates |
| | | % of MIG Funding expenditure (Output) | 100% | 100% | 100% | Partially Achieved (96%) | | Signed MIG expenditure reports | Late procurement of 2018/19 projects due to municipal unrest. | Early procurement of 2019/20 projects to achieve 100% expenditure, rolled over 4% to 2019/20 FY. | Infrastructure Services |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|--|--|--------------|--|--------------|---|---|--|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To Maintain effective and efficient Information and technology systems by June 2022 | FM04: By Upgrading and maintenance of ICT infrastructure and systems | ICT policies reviewed approved by council (Input) | ICT policies reviewed and approved by council | Not achieved | ICT policies reviewed and approved by council. | Achieved |  | Copy of policies and council resolutions | None | None | BTO |
| | | IT Masterplan reviewed approved by council (Input) | Review and Implement IT Masterplan approved by Council | Not achieved | Implementati on of IT Masterplan | Not achieved |  | Copy of IT Master plan and Council resolutions. | IT Master Plan was not reviewed due to lack of capacity within the municipality. | Assistance has been sourced from Cogta & ADM for Masterplan to be reviewed in 2019/20 | BTO |
| To Maintain budgeting and reporting mechanisms in line with Municipal Finance Management Act, VAT Act, | FM05: Comply with all Statutory reporting requirements and financial reforms. | Compliance reports submitted as per MFMA (Input) | Submission of compliance reports within specified time frame | Achieved | Submission of compliance reports within specified time frame | Achieved |  | Proof of submission s and copies of reports | None | None | BTO |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|---|---|----------|---|--------------|---|---|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| Treasury regulations and Budget reforms , by June 2022 | FM06: By planning and preparation of municipal budget in line with MFMA Regulations | Annual approved budget by council for 2018/2020 (Input) | Annual approved budget by council for 2018/19 | Achieved | Annual approved budget by council for 2019/20 | Achieved |  | Council resolutions. Copy of approved Budget. Proof of submission | None | None | BTO |
| | FM07: By Implementing mSCoA Reform by 2022 | Number of Municipal standard charts of accounts project updates (Input) | 4 mSCOA compliance reports | Achieved | Full mSCOA implementation | Not achieved |  | 4 quarterly mSCOA reports to Council | Progress reports submitted by SEBATA were not linked to project plan therefore progress made is not clear. | A progress report that is linked to project plan will be submitted to the next council meeting that will be held in August 2019. | BTO |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|--|---|--------------|---|--------------|--|--|---|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To maintain and improve effective revenue collection system consistent with Section 95 of the MSA and enforce the municipality's credit and debt control policy (Section 64 MFMA) by June 2022. | FM08: Data cleansing and accurate billing of all GKM services | % increase in actual revenue collection (Output) | 5% increase | Not achieved | 5% increase | Not achieved |  | Revenue collection report. | Billing of Consumer accounts and issuing of accounts was delayed due to changing of the Financial System for the implementation of MSCOA. | Backlog of Billing will be corrected in the 1 st Qrt 2019/20. | BTO |
| | FM09: Review and implement the indigent policy and maintain an updated indigent register. | Review and Updated Indigent register (Input) | 100% beneficiary subsidization of the customers that have claimed | Not achieved | 100% beneficiary subsidization of the customers that have claimed | Not achieved |  | Indigent register and council resolutions. | Due to a change of political leadership new indigent steering committee members had to be elected and trained. | Item to Council to approve the register will be sent to Council in the 1 st Quarter 2019/20. | BTO |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|---|-----------------------------------|------------------------|------------------------------------|---|---|---|--|--|-----------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure improvement of audit outcomes through reduction of audit findings by June 2022. | FM10: By developing, Implementing and monitoring of Audit Action Plan, policies and procedures. | Number of audit findings addressed (Output) | 100% reduction of audit findings | 69% | Reduction of all audit findings | Not achieved. Out of 49 findings 38 were addressed & 11 not yet addressed |  | Audit action plan and council items | The 11 findings not addressed are ongoing. | To be in the Audit action of 2019/20. | All Directorates |
| To ensure management of organizational and mitigation of risks by June 2022 | FM11: Develop , monitor and review of strategic risks registers | % implementation of action plan to mitigate identified risks (Output) | 100% of identified risks lessened | Not achieved | 100 % of identified risks lessened | Not achieved |  | Updated risk register. | 2 internal auditors resigned. No dedicated IA to perform the function. | Advertised and awaiting the interviews. To be appointed in the 1 st Qrt 2019. | All Directorates |
| To enhance the enforcement of National Road Traffic Act 93 of 1996, by-laws and | FM12: By enforcing and monitoring of road traffic rules | Number of Motor Vehicle registrations (Output) | 120 Motor vehicles registration | Motor vehicle reg-2224 | 400 Motor Vehicle registrations | Achieved 4388 |  | Quarterly eNatis reports to the Standing Committee. | None | None | Technical and Comm Services |

Chapter 3


| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--------------|---|-----------------------------------|------------------------------|--------------------------------|---------------|--|---|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| safeguard municipal assets by June 2022. | | Number of Leaners license bookings (Output) | 400 learners' license | Learners licence- 938 | 600 learners' license | Achieved 802 |  | Quarterly eNatis reports to the Standing Committee. | None | None | TSD |
| | | Number of renewals (drivers & PDP) (Output) | 120 Motor vehicles renewals | Motor vehicle renewals -1269 | 120 Motor Vehicle renewals | Achieved 1706 |  | Quarterly eNatis reports to the Standing Committee. | None | None | TSD |
| | | Number of drivers licenses (Output) | 400 driver's license. | Driving licences- 1819 | 600 driver's license. | Achieved 1829 |  | Quarterly eNatis reports to the Standing Committee. | None | None | TSD |

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| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---------------|---|---|-----------------------------------|---------------|---|-----------------|---|--|--|---|-----------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | | Number of spot fines issued (Output) | 400 fines issued | Achieved | 300 Fines issued | 26 fined issued |  | Standing Committee | Not enough staff to perform the function and no budget to purchase the speed camera. | 2 Traffic Officers have since been advertised. To be appointed in the 2 nd Qrt 2019. | Technical and Comm Services |
| | FM13: By securing all municipal assets through implementing of safety and security measures | Access control provided in municipal main offices | New indicator | New indicator | Implement all access control programmes (visitors control, vehicle control and routine control) | Not achieved |  | Security reports to the Standing Committee | Target could not be achieved due lack of capacity. | The security personnel unit has been transferred to community services division. | DTS |

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KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|---|---|--|-----------------------------------|---------------|--|-------------------------------|--|--|---|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | |
| To ensure the development and implementation of a strategic Corporate and HRM plan with a strategic Model to drive the implementation and alignment with the IDP by June 2022 | ID01: By designing, implementing and monitoring, all the strategies to achieve the Corporate and HR areas of focus. | Strategic Corporate & Human Resource Management Plan developed (Input) | New indicator | New indicator | Strategic Corporate & Human Resource Management Plan developed | Draft Plan has been developed |  Attendance registers Copy of the plan | A lot of gaps were identified in the Draft Format. More information has to be populated and presented to Management. | Draft Plan will be presented to Management in Q1 - 2019/20. | Corporate services |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|--|--|--|--|--------------|--------------------------------|------------------------------|--|----------|--------------------|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | |
| To ensure compliance with the Employment Equity Act by June 2022 | ID02: By ensuring targets on EEP are met. | % of Employment equity Plan target implemented (Output) | 5% of EEP targets implemented | 0%. | 5 % EE targets implemented | Achieved |  Progress reports on EE targets. Proof of submission of EEA forms to DoL | None | None | DCS |
| To ensure the municipal controlled environment and stability through proper adherence to attendance and leave management June 2022 | ID03: By developing, implementing & monitoring the tools for time and attendance | Number of compliance on Pay-Day Leave System Reports (Input) | Automating leave system project approved and implemented | Not achieved | 4 quarterly Reports | Achieved 4 quarterly Reports |  Quarterly report to the Standing Committee | None | None | Corporate services |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|---|---|---|--|--------------|---|----------|---|--|----------|--------------------|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure review of municipality's Organizational Structure and alignment with the IDP Strategies, Objectives and available resources by June 2022. | ID04: By Annually reviewing the GKM Organogram in order to address the needs and functions of the Municipality. | 2017/18 Organization structure reviewed and approved by council (Input) | 2017/18 Organization al structure reviewed and approved by council | Not achieved | 2018/19 Organization structure reviewed and approved by council | Achieved |  | signed Structure & workshop attendance registers; Council resolutions | None | None | Corporate services |
| | | The average length of time it takes to fill a post (Output) | 3 months for positions below S54 and S56 | Not achieved | 3 months positions below Sec 56 | Achieved |  | Recruitmen t reports to the Standing Committee | None | None | Corporate |
| To ensure the development, review, Implementation and monitoring of WSP for Councilors, | ID05: By ensuring the implementation and monitoring of WSP (including learnerships, | Workplace Skills Plan reviewed and approved by council (Input) | Workplace Skills Plan reviewed and approved by council | Achieved | 2019/20 Workplace Skills Plan reviewed and approved by LLF | Achieved |  | Workplace Skills Plan. LLF resolutions. WSP implementation report. | None | None | Corporate services |

Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|--|---|---|---|--------------|---|--|---|--|--|--|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| Employees and Unemployed by June 2022. | internships, and graduate training programmes). | Number of capacity programs coordinated for Councilors and Staff (Output) | 8 training interventions | Achieved | 3 capacity building Programs | Achieved |  | Training reports to the standing committee/ council | None | None | Corporate services |
| To ensure compliance with applicable legislation, regulations, policies ,procedures and promulgation of By-laws by June 2022 | ID06: By coordinating the development, review and implementation of all municipal policies, by-laws and procedure manuals in line with applicable legislation (including compliance audits) | Number of Municipal Policies reviewed and approved by council (Input) | All municipal Policies reviewed and approved by council | Not achieved | All municipal Policies reviewed and approved by council | Achieved |  | Council resolution for all municipal policies approved | None | None | Corporate services |
| | | Number of By – Laws <u>submitted to council</u> | Sourcing of funding for promulgation of by-laws | Not achieved | By – Laws submitted to council | Only Rates By-Law submitted to Council |  | Council resolutions. Copy of By-Laws | All other By – Laws still need to be workshopped to Councilors and tabled to Council for approval. | By-Laws to be workshopped and tabled to Council in the first quarter of 2019/20. | Corporate services |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|---|--|--|---|----------|---|---|---|---|----------|--------------------|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure effective functioning of Council and its committees by June 2022 | ID07: By ensuring that the Council and its sub-committees seat in accordance with the approved Council calendar. | Number of Council and standing committee meetings set in line with council calendar (Output) | 4 Ordinary Council seatings. 20 Standing Committee held | Achieved | 4 Ordinary Council seatings. 20 Standing Committee held | 4 Ordinary Council seatings. 14 Special Council seatings. 20 Standing Committee held. |  | Council minutes. Standing committee minutes | None | None | Corporate services |
| | ID08: By ensuring safe keeping of the Council resolution register | Number of Council resolution registers <u>dispatched and implemented</u> | 4 resolution registers | Achieved | 4 Registers <u>dispatched and implemented</u> | Achieved |  | Copies of resolution registers | None | None | Corporate services |
| To ensure effective functioning of Oversight Committees by June 2022 | ID08 Provide administrative support to oversight committees | MPAC meetings held before the sitting of Council (Output) | 4 MPAC meetings | Achieved | 4 MPAC meetings | 5 MPAC meetings |  | Signed minutes and attendance registers | None | None | DCS |

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| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|--|--|--|---|--------------|--|--|--|---|--|--|--------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To promote sound labor relations and ensuring compliance with relevant labour legislations by June 2022. | ID09: By implementing disciplinary codes and adhering to the applicable labour related legislations. | Number of workshops conducted on Code of Conduct & Disciplinary Codes (Output) | 4 workshops | 3 workshops | 4 workshops | Not achieved. Workshop held on the 12-13 June 2019 | | Progress reports; attendance registers. | Ngqushwa Municipality that was going to assist could not avail themselves due to other commitment. | For 2019/20 the workshops will be done in house. | Corporate services |
| To ensure availability of competent, healthy and motivated workforce by June 2022. | ID11: By implementing and reviewing of Employee Wellness programs. | Number of Employee Wellness programs conducted (Input) | 2 Employee Wellness programme conducted | Not achieved | 4 Employee Wellness programs conducted | Achieved | | Employee wellness reports to standing committee | None | None | Corporate services |




Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Portfolio of Evidence | Variance | Corrective Measure | Responsible |
|---|--|--|-----------------------------------|------------------------|---|--|--|--|---|-----------------------------|
| | | | Plan | Actual | Plan | Actual | | | | |
| To ensure compliance with Health and Safety Regulation by June 2022. | ID13: By implementing and monitoring of health and safety policy and regulations. | Number of Health and Safety inspections conducted (output) | 4 inspections & reports | 2 inspections achieved | 4 Inspections and reports | 1 inspections achieved |  Attendance registers and Inspection reports. | ADM that was going to assist could not avail themselves due to other commitment. | For 2019/20 the inspections will be done in house by the OHS Committee. | Corporate services |
| To promote holistic customer reception management and provision of auxiliary services to the entire institution by June 2022 | ID14: By ensuring the implementation of the Reception Procedure Manual and the Cleaning Maintenance Plan | Number of satisfaction customer surveys conducted and <u>submitted to Council</u> (Output) | 4 Surveys and report | Not achieved | 1 customer survey report submitted to Council | Draft Survey Report is in place and only presented to Management |  Reports of surveys | Gaps were identified by Management and more research needs to be done to cover the whole municipality. | Final Customer Satisfaction Survey Report to be tabled to Council in Quarter 4 of the 19/20 FY. | Director corporate services |



: BY IMPLEMENTING AND MONITORING OF HEALTH AND SAFETY POLICY AND REGULATIONS

Chapter 3



KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|--|--|----------|--|--|---|--|---|---|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To promote effective participation of community members in the affairs of governance by 2017 | GG01: By implementing approved public participation & petitions strategy | Number of Ward Committee Meetings held (Output) | 4 meetings | Achieved | 4 meetings | Achieved |  | Signed minutes & attendance registers. | None | None | Strategic Services |
| | GG02: By managing petitions through effective communications with relevant stakeholders | Number Mayoral Imbizos held (Output) | 4 meetings | Achieved | 4 meeting | Achieved Roadshows held on 9, 10, 11 and 12 April 2019. |  | Signed minutes & attendance registers. | None | None | Strategic Services |
| To ensure effective implementation of Marketing and Communication | GG03: Enhance internal and external communications | Number of reports on the implementation of Marketing and Communications Strategy | 4 reports on implementation of Marketing & Communications Strategy | Achieved | 4 reports on implementation of Marketing & Communications Strategy | 3 reports |  | Signed Standing Committee reports. | There is no funding to develop Newsletter report. | To request assistance from ADM in producing a Newsletter. | Strategic Services |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|------------------------------------|---|---|--------------|---|--|---|-----------------------------------|---|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| n Strategy by June 2022 | | GKM protocol and Etiquette policy developed and approved by council (Input) | GKM protocol and Etiquette policy developed and approved by council | Not achieved | Protocol & Etiquette policy developed and approved by council | Draft policy developed |  | Signed policy. Council resolution | Draft policy was not circulated within internal stakeholders. | Review existing Draft Policy in the 1 st Quarter by and workshop Management and Councilors. | DSS |
| To strengthen relations between the municipality, government departments and parastatals and to ensure integrated planning by June 2022 | GG04: By facilitating IGR sittings | Number of IGR meetings held (Output) | 4 IGR meetings | 2 meetings | 4 IGR meetings | Achieved 17/08/2018 04/12/2018 15/03/2019 27/06/2019 |  | Attendance registers and minutes | None | None | Strategic Services |

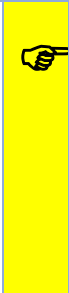


Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|--|---|---|----------|--|----------|---|--|----------|--------------------|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To ensure the development, implementation and review of integrated development planning by June 2022 | GG05: By facilitating development and review of IDP through implementation of IDP process plan | 5 year IDP developed, reviewed and approved by council (Input) | IDP reviewed, implemented and approved by council | Achieved | IDP reviewed, implemented and approved by council | Achieved |  | Copy of approved IDP. Council resolution | None | None | Strategic Services |
| To ensure the institutionalization of Performance Management by June 2022 | GG06: Develop and review Institutional Strategic Score Card and cascading of Performance Management System | SDBIP approved by the Mayor within 28 days after the approval of IDP and Budget (Input) | SDBIP approved by the Mayor within 28 days after the approval of IDP and budget | Achieved | SDBIP developed and approved within 28 days after the approval of IDP and Budget | Achieved |  | Signed 2018/19 SDBIP | None | None | Strategic Services |



Chapter 3

| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|---|--|---------------|--|---------------|---|--|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| | GG07: Monitor and measure institutional performance quarterly | Number of mid-year, annual performance report and annual report developed and approved by council (Input) | 1 mid-year report, 1 annual performance report and annual report developed and approved by council | Achieved | 1-mid-year report 1-annual performance report and annual report developed and approved by council | Achieved |  | Council resolutions. Copy approved reports | None | None | Strategic Services |
| To ensure effective functioning of Oversight Committees by June 2022 | GG08 Provide administrative support to oversight committees | Number of Audit Committee Meetings held (Output) | 4 AC meetings | 3 AC meetings | 4 AC meetings | 2 AC meetings |  | Attendance registers and minutes | Due to resignation of AC member, the Audit Committee didn't meet the Quorum. | Advertised and awaiting the interviews. To be appointed in the 1 st Qrt 2019. | Strategic services |

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| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|--|---|---|-----------------------------------|---------------|---|--------------|---|--|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To provide independent professional advice on governance issues, risk management and internal controls | GG09: Independent review on the reported performance information and other municipal activities | Number of Internal audit reports to Audit Committee on performance management (Input) | 4 reports | 3 reports | 4 reports | 3 reports |  | Internal audit reports to Audit Committee | 2 internal auditors resigned. No dedicated IA to perform the function. | Advertised and awaiting the interviews. To be appointed in the 1 st Qrt 2019. | Strategic Services |
| | GG10: Review and adopt Internal Audit and Audit Committee Charters | Internal Audit and Audit Committee charters approved by Council (Input) | New indicator | New indicator | Approved Internal Audit and Audit Committee charters by Council | Not achieved |  | Copy of the Charter and council resolutions. | 2 internal auditors resigned. No dedicated IA to perform the function. | Advertised and awaiting the interviews. To be appointed in the 1 st Qrt 2019. | DSS |
| To ensure compliance with the legislation by 2022 | GG11: By ensuring that all legal matters are dealt within prescribed timeframes | Number of reports on number of litigation received (Input) | 4 reports | Achieved | 4 reports | Achieved |  | Signed reports | None | None | Strategic services |

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| IDP Objective | IDP strategy | Key Performance Indicator | Previous Year Review (2017/18 FY) | | Year Under Review (2018/19 FY) | | Snapshot | Portfolio of Evidence | Variance | Corrective Measure | Responsible directorate |
|---|---|---|---|--------------|--|--------------|---|--|--|--|-------------------------|
| | | | Plan | Actual | Plan | Actual | | | | | |
| To develop a functional and responsive administration by 2022 | GG12: By ensuring management of risk | Risk and fraud management policy reviewed and approved by council (Input) | Risk and fraud management policy reviewed and approved by council | Not achieved | Strategic risk register and operational risk developed and implemented | Not achieved |  | Council resolutions. Copy of the policy. | 2 internal auditors resigned. No dedicated Official to perform the function. | Advertised and awaiting the interviews. To be appointed in the 1 st Qrt 2019. | Strategic Services |
| To accelerate empowerment of historically disadvantaged groups by June 2022 | GG13: By developing, reviewing and implementing plan that promote mainstreaming of Special programmes in all GKM programs, plans and projects | Number of SPU implementation plan reports (Input) | SPU plan reviewed and implemented | Achieved | 4 Reports on the implementation of SPU Plan | Achieved |  | Signed SPU plan and quarterly reports | None | None | Strategic Services |

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LGTA KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT

KPA 1: Organisational Transformation and Institutional Development

Annual performance as per key performance indicators in municipal transformation and organizational development

| No | Indicator name | Total number of people (planned for) during the year under review | Achievement level during the year under review | Achievement percentage during the year | Comments on the gap |
|----|--|---|--|--|--------------------------|
| 1 | Vacancy rate for all approved and budgeted posts; | 22 | 4 | 18 % | Budget constraints |
| 2 | Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers) | 5 | 4 | 80 % | N/A |
| 3 | Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY | 0 | 0 | NIL | N/A |
| 4 | Percentage of Managers in Technical Services with a professional qualification | 3 | 2 | 80 % | N/A |
| 5 | Level of PMS effectiveness in the DM – (DM to report) | The PMS is cascaded to lower levels, implemented from high level management down to levels below. Directors report on quarterly basis through various structures and middle managers report on monthly bases. | | | |
| 6 | Level of effectiveness of PMS in the LM – (LM to report) | | | | |
| 7 | Percentage of staff that have undergone a skills audit (including competency profiles) | 61 | 32 | 52% | Limited budget available |

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|----|---|-----|------|-------|--|
| | within the current 5 year term | | | | |
| 8 | Percentage of Councilors who attended a skill development training within the current 5 year term | 13 | 1 | 8 % | Financial Constraints |
| 9 | Percentage of staff complement with disability | 2 | 2 | 100 % | Only 1 employee disclosed his status during financial year 17/18 |
| 10 | Percentage of female employees | | 77 | 51% | |
| 11 | Percentage of employees that are aged 35 or younger | | 31 | 20% | |
| 12 | Adoption and implementation of HRD Plan including WSP | 50% | 10 % | 20 % | The WSP was adopted and submitted to the LGSETA and a council resolution confirming the submission is available. Due to financial constraints we are unable to implement WSP |

KPA 2:

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KPA 2: Basic Service delivery performance highlights

Annual performance as per key performance indicators in water services

| Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the FY under review (actual numbers) | Number of HH/customer reached during the FY | Percentage of achievement during the year |
|----------------|--|-------------------------------------|---|---|---|
|----------------|--|-------------------------------------|---|---|---|

Annual performance as per key performance indicators in Electricity services

| No | Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the f. year under review (actual numbers) | Number of HH/customer reached during the FY | Percentage of achievement during the year |
|----|--|--|-------------------------------------|--|---|---|
| 1 | Percentage of households with access to electricity services | 3,000.00 | 73 | 17 | 17 | 100% |
| 2 | Percentage of indigent households with access to basic electricity services | 568 | TBD | 600 | 568 | 95% |
| 3 | Percentage of indigent households with access to free alternative energy sources | 420 | TBD | 420 | 277 | 65% |

Annual performance as per key performance indicators in sanitation services

| No | Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the f. year under review | Number of HH/customer reached | Percentage of achievement during the year |
|----|----------------|--|-------------------------------------|---|-------------------------------|---|
|----|----------------|--|-------------------------------------|---|-------------------------------|---|

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|---|---|-----|--|--|--|--|
| 1 | Percentage of households with access to sanitation services | ADM | | | | |
| 2 | Percentage of indigent households with access to free basic sanitation services | ADM | | | | |
| 3 | Percentage of clinics with access to sanitation services | ADM | | | | |
| 4 | Percentage of schools with access to sanitation services | ADM | | | | |

Annual performance as per key performance indicators in road maintenance services

| No | Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the f. year under review (Actual numbers) | Number of HH/customer reached during the FY | Percentage of achievement during the year |
|----|--|--|-------------------------------------|---|---|---|
| 1 | Percentage of households without access to gravel or graded roads | 394 km | 316 km | 7 kms of gravel roads to be constructed at Bhola Village and Old Location | 7 kms achieved | 100% |
| 2 | Percentage of road infrastructure requiring upgrade | 142km | 132 | 10 | 10 | 100% |
| 3 | Percentage of planned new road infrastructure actually constructed | 174 km | 164 | 10 | 10 | 100% |
| 4 | Percentage of capital budget reserved for road upgrading and maintenance effectively used. | 394km | 316km | 24km | 24km | 100% |

Annual performance as per key performance indicators in waste management services

| No | Indicator name | Total number of household/customer | Estimated backlogs | Target set for the f. | Number of HH/customer reached | Percentage of achievement |
|----|----------------|------------------------------------|--------------------|-----------------------|-------------------------------|---------------------------|
|----|----------------|------------------------------------|--------------------|-----------------------|-------------------------------|---------------------------|

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| | | r expected to benefit | (actual numbers) | year under review | | t during the year |
|----|---|--------------------------|------------------|-------------------|------|-------------------|
| 1. | Percentage of households with access to refuse removal services | 12340 | 8177 | 60 | 4163 | 100% |
| 2. | Existence of waste management plan | Our IWMP is under review | | | | |

Annual performance as per key performance indicators in housing and town planning services

| No | Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (Actual numbers) | Target set for the f. year under review | Number of HH/customer reached | Percentage of achievement during the year |
|----|---|--|-------------------------------------|---|-------------------------------|---|
| 1 | Percentage of households living in informal settlements | 9386 | 9386 | 1640 | 0 | 0 |
| 2 | Percentage of informal settlements that have been provided with basic services | 0 | 1640 | 0 | 0 | 0 |
| 3 | Percentage of households in formal housing that conforms to the minimum building standards for residential houses | 35 | 0 | 0 | 0 | 0 |
| 4 | Existence of an effective indigent policy | The Indigent Policy has been reviewed and adopted, Indigent Registration is ongoing. Currently the Indigent Register has about 3600 beneficiaries. | | | | |
| 5 | Existence of an approved SDF | The Great Kei Local Municipality Council (GKM) adopted a Spatial Development Framework (SDF) during the 2005/2006 Financial Year. It is against this background that the SDF shall be reviewed with the assistance of Amathole District Municipality (ADM) and the Department of Human Settlements (DoHS), for alignment with 2017/2022 Integrated Development Plan (IDP). | | | | |
| 6 | Existence of Land Use Management System (LUMS) | Land Use Management By-laws in place. | | | | |

Chapter 3

KPA 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

Annual performance as per key performance indicators in LED

| No | Indicator name | Target set for the year | Achievement level during the year (absolute figure) | Achievement percentage during the year |
|----|--|---|---|--|
| 1 | Existence of LED unit | Yes | The unit has been run by Acting LED Manager in 2017/18. | 100% prior achievement |
| 2 | Percentage of LED Budget spent on LED related activities. | 550 000.00 | 550 000.00 | 100% |
| 3 | Existence of LED strategy | GKM adopted its LED Strategy in September 2014 and is under review | | |
| 4 | Number of LED stakeholder forum meetings held | 4 | 4 | 100% |
| 5 | Plans to stimulate second economy | Development of Small Town Revitalization Strategy | Small Town Revitalization Strategy has been developed and approved by Council in June 2018. | - |
| 6 | Percentage of SMME that have benefited from a SMME support program | 4 | 4 | 100% |
| 7 | Number of job opportunities created through EPWP | 200 | 205-EPWP jobs | 100% |
| 8 | Number of job opportunities created through PPP (CWP) | 200 | 550 | 100% |

Chapter 3

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Annual performance as per key performance indicators in financial viability

| No | Indicator name | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
|----|--|---|--|--|
| 1 | Percentage expenditure of capital budget | R36 149 000 | R 34,372,078 | 95% |
| | | Target set for the year (35%) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the operational budget |
| 2 | Salary budget as a percentage of the total operational budget | (38,6%) (R46 501 000) | R 42,570,086 | 91% |
| | | Target set for the year (20% or less) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the actual revenue |
| 3 | Trade creditors as a percentage of total actual revenue | (45%) (R96 301 000) | R 14,625,097 | 15% |
| | | Target set for the year (80% and more) R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 4 | Total municipal own revenue as a percentage of the total actual budget | (38%) (49 108 612) | R 31,664,024 | 64,5% |
| | | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 5 | Rate of municipal consumer debt reduction | 73% (48 000 000) | R 17,030,141 | 35% Increase |
| 6 | Percentage of MIG budget appropriately spent | R 36,149,000 | R 31,225,856 | 86% |

Chapter 3

| | | | | |
|----|---|---------------------------|---------------------------|---------------------------|
| 7 | Percentage of MSIG budget appropriately spent | N/A | N/A | N/A |
| 8 | AG Audit opinion | Unqualified Audit Opinion | Unqualified Audit Opinion | Unqualified Audit Opinion |
| 9 | Functionality of the Audit Committee | Functional | Functional | Functional |
| 10 | Submission of AFS after the end of financial year | 31-Aug-17 | 31-Aug-17 | 31-Aug-17 |

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| No | Indicator name | Target set for the year | Achievement level during the year (absolute figure) | Achievement percentage during the year |
|----|--|---|---|--|
| 1 | % of ward committees established | 70 | 70 | 100% |
| 2 | % of ward committees that are functional | 70 | 70 | 100% |
| 3 | Existence of an effective system to monitor CDWs | The 4 CDWs. | | |
| 4 | Existence of an IGR strategy | | | |
| 5 | Effective of IGR structural meetings | IGR meetings seat 4 times a year (quarterly) | | |
| 6 | Existence of an effective communication strategy | Communication strategy was developed I 2014 and approved in March 2016 and is reviewed on annual basis. | | |
| 7 | Number of mayoral imbizo's conducted | 4 | 4 | 100% |
| 8 | Existence of a fraud prevention mechanism | The municipality developed and adopted its reviewed fraud and prevention strategy/policy in 2017. The municipality has a complaints/ suggestion box in all offices. | | |

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The objective of Organisational Development is that of ensuring capacity building of employees.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Employees | | | | | |
|---|-----------|-----------------------|-----------|-----------|---------------|
| | Year – 1 | Year 0- 2016/17 | | | |
| Description | Employees | Approve d Posts | Employees | Vacancies | Vacancie s |
| | No. | No. | No. | No. | % |
| Electricity | 2 | 5 | | 3 | |
| Waste Management | 46 | 61 | | 15 | |
| Planning and Human Settlement Housing | 4 | 9 | | 5 | |
| PMU and Roads | 5 | 20 | | 15 | |
| Local Economic Development | 0 | 5 | | 5 | |
| Environmental & Amenities | 1 | 11 | | 10 | |
| Security and Safety | 17 | 8 | | 9 | |
| Corporate Services | 17 | 26 | | 9 | |
| Budget and Treasury Office | 27 | 38 | | 11 | |
| Municipal Manager & Strategic Services | 20 | 41 | | 21 | |
| TOTALS | 139 | 224 | | 142 | |

T4.1.1

Chapter 4

| VACANCY RATE: YEAR 2017/18 | | | |
|---|---------------------------|---|--|
| Designations | *Total Approved Posts No. | *Vacancies (Total time that vacancies exist using fulltime equivalents) No. | *Vacancies (as a proportion of total posts in each category) % |
| Municipal Manager | 1 | 1 | 100 % |
| CFO | 1 | 0 | 0 % |
| Other S56 Managers (excluding Finance Posts) | 3 | 0 | 0 % |
| Highly skilled Middle Management: level 15 - 17 (excluding Finance posts) | 9 | 3 | 33 % |
| Middle Management: level 13 - 17 (Finance posts) | 6 | 1 | 17 % |
| Total | 20 | 9 | 45 % |

T4.1.2

| Turn-over Rate | | | | |
|-------------------|------------------------|--|--|-----------------|
| Details | Total No. of Employees | Total Appointments as of beginning of Financial Year No. | Terminations during the Financial Year | Turn-over Rate* |
| Year -2 – 2015/16 | 151 | 16 | 12 | 8 % |
| Year-1-2016/17 | 147 | 58 | 11 | 7 % |
| Year- 2017/18 | | | | |

T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Refer to T 4.1.2

Whilst all policies and procedures are in place and being reviewed annually, the financial challenges facing the municipality causes anxiety and brings insecurity to employees thus it is difficult to fill all the existing vacancies in particular with competent and skilful personnel. To those who are within the institution feel in-secured thus turnover though it is not at a high rate

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Chapter 4

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

HR policies have been developed and are reviewed on annual basis (e.g. Recruitment & Selection, Employee Assistance Policy, Retention & Attraction etc. Refer to T4.2.1

T 4.2.0

Chapter 4

4.2 POLICIES

| Municipal Policies and Plans | | | | |
|------------------------------|--|-------------|------------|--|
| T4.2.1 | | | | |
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 1. | Acting Allowance Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 2. | Employee Assistance Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 3. | Telephone Usage Policy for Councillors and Employees | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 4. | Placement, Promotion, Demotion and Transfer Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 5. | Recruitment and Selection Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 6. | Travel and Subsistence Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 7. | Bereavement Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 8. | Code of Conduct for Staff Members | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|--------------------------------------|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 9. | Employment Equity Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 10. | Training and Development Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 11. | Leave Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 12. | Overtime Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 13. | Rental / Housing Allowance Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 14. | Health and Safety Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 15. | Car Allowance Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 16. | Danger Allowance Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|------------------------------------|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 17. | Retention and Attraction Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 18. | Performance Management Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 19. | Remuneration Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 20. | Exit Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 21. | Use of Consultants | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 22. | SCM policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 23. | Asset management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 24. | Fleet management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|---|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 25. | Credit control and debt management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 26. | Tariffs policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 27. | Indigent policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 28. | Petty cash policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 29. | Cash and investment policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 30. | Budget process policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 31. | Virement policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 32. | Inventory Management | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|---|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 33. | Fruitless and wasteful ,unauthorised and irregular expenditure policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 34. | IT Security Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 35. | 3G Card and Cell phone Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 36. | Telephone Management Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 37. | Rates Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 38. | Backup policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 39. | Employment Equity Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 40. | Training and Development Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|--|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 41. | Exit Policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 42. | Use of Consultants | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 43. | SCM policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 44. | Asset management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 45. | Fleet management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 46. | Credit control and debt management policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 47. | Tariffs policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 48. | Indigent policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

Chapter 4

| Municipal Policies and Plans T4.2.1 | | | | |
|--|----------------------------|-------------|------------|--|
| No | Name of policy | Completed % | Reviewed % | Date adopted by Council or comment on failure to adopt |
| 49. | Petty cash policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 50. | Cash and investment policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 51. | Budget process policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 52. | Virement policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 53. | Inventory Management | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |
| 54. | Backup policy | 100% | 100% | Policies last adopted on the 27 June 2017 for the 17/18 FY |

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The financial health position of the municipality has to a certain extent brought administrative instability as number of employees feel in-secured.

T 4.2.1.1

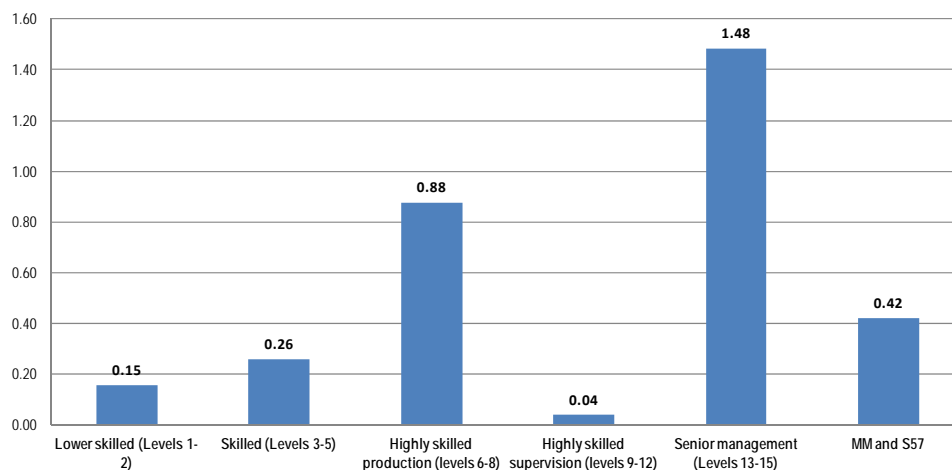
Chapter 4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

| NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) | | | | |
|--|-----------------------|--|----------------------------|----------------|
| SALARY BAND | TOTAL SICK LEAVE DAYS | PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATION | EMPLOYEES USING SICK LEAVE | ESTIMATED COST |
| LOWER SKILLED (LEVELS 1 – 5) | 386 | 0 % | 31 | 150 926. 00 |
| SKILLED (LEVEL 6-8) | 414 | 0 % | 39 | 278 208. 00 |
| SUPERVISOR (LEVEL 9 – 12) | 394 | 0 % | 32 | 425 126. 00 |
| MIDDLE MANAGER (LEVEL 13 – 17) | 69 | 0 % | 13 | 128 478. 00 |
| MM AND SECTION 56 MANAGERS | 11 | 0 % | 3 | 31 139. 90 |
| TOTALS | 1274 | 0 % | 118 | 1 013 877. 90 |
| T4.3.2 | | | | |

Chapter 4

Average Number of Days Sick Leave (excluding IOD)



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Refer to T4.3.2

T 4.3.4

Number and Period of Suspensions

| Position | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised |
|--------------|------------------------------|--------------------|--|----------------|
| Practitioner | Misconduct | 2018/03/09 | Upliftment of Suspension | N/A |
| Clerical | Misconduct | 2018/03/01 | Contract Expired | N/A |
| | | | | T 4.3.5 |

Chapter 4

4.4 PERFORMANCE REWARDS

| 4.4 PERFORMANCE REWARDS | | | | |
|-------------------------------|------------|---|----------------------------|------------------------------------|
| PERFORMANCE REWARDS BY GENDER | | | | |
| DESIGNATIONS | GENDER | TOTAL NUMBER OF EMPLOYEES IN GROUP | NUMBER OF BENEFICIARIES | EXPENDITURE ON REWARDS – YEAR 1 |
| MM and Section 56 Managers | 2 x Males | 2 | 0 | |
| | 2x Females | 2 | 0 | |
| Total | | 4 | 0 | |

COMMENT ON PERFORMANCE REWARDS:

For the year under review there have been no performance rewards awarded to Section 56 Managers owing to the fact that they joined the municipality in the middle of the financial year and financial position of the municipality further limits managers to exercise that benefit.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

To address workforce capacity development, the municipality has developed the following policies:

Training and development policy
Promotion, demotion and transfer policy
Retention and attraction policy
Performance management policy

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix | | | | | | | | | | | | | | |
|--|--------|--|--|-----------------|---------------------|---------------------------------------|-----------------|---------------------|-----------------------------------|-----------------|---------------------|-----------------|-----------------|---------------------|
| Management level | Gender | Employees in post as at 30 June Year 2016/17 | Number of skilled employees required and actual as at 30 June Year 2016/17 | | | | | | | | | | | |
| | | | Learnerships | | | Skills programs & other short courses | | | Other forms of training\Workshops | | | Total | | |
| | | No. | Actual: 2015/16 | Actual: 2016/17 | Year 2016/17 Target | Actual: 2015/16 | Actual: 2016/17 | Year 2016/17 Target | Actual: 2015/16 | Actual: 2016/17 | Year 2016/17 Target | Actual: 2015/16 | Actual: 2016/17 | Year 2016/17 Target |
| MM and s57 | Female | 1 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| | Male | 2 | | 0 | 0 | | 0 | 1 | | 1 | 1 | | 1 | 2 |
| Councillors, senior officials and managers | Female | 14 | | 3 | 4 | | 0 | 9 | | 9 | 9 | | 12 | 22 |
| | Male | 11 | | 4 | 4 | | 0 | 7 | | 5 | 5 | | 9 | 16 |
| Technicians and associate professionals* | Female | 4 | | 0 | 0 | | 0 | 2 | | 0 | 0 | | 0 | 2 |
| | Male | 6 | | 0 | 1 | | 2 | 1 | | 0 | 0 | | 2 | 2 |
| Professionals | Female | 18 | | 3 | 3 | | 4 | 4 | | 4 | 4 | | 11 | 11 |
| | Male | 10 | | 0 | 0 | | 2 | 6 | | 1 | 1 | | 3 | 7 |
| Clerk's | Female | 25 | | 7 | 7 | | 6 | 11 | | 8 | 4 | | 21 | 22 |
| | Male | 11 | | 0 | 0 | | 0 | 1 | | 0 | 0 | | 0 | 1 |

Chapter 4

| | | | | | | | | | | | | | | |
|---|--------|-----|---|----|----|---|---|----|---|----|----|---|----|------------|
| Service and Sales Workers | Female | 7 | | 0 | 0 | | 0 | 5 | | 8 | 0 | | 8 | 5 |
| | Male | 12 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Skilled Workers | Female | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| | Male | 2 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Plant and Machinery | Female | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| | Male | 9 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 |
| Elementary Occupation | Female | 18 | | 7 | 9 | | 0 | 0 | | 0 | 0 | | 0 | 9 |
| | Male | 19 | | 7 | 11 | | 0 | 0 | | 0 | 0 | | 7 | 11 |
| Sub total | Female | 87 | | 20 | 23 | | 4 | 31 | | 26 | 17 | | 50 | 71 |
| | Male | 82 | | 11 | 16 | | 4 | 16 | | 7 | 7 | | 22 | 39 |
| Total | | 169 | 0 | 31 | 49 | 0 | 8 | 47 | 0 | 32 | 24 | 0 | 71 | 114 |
| *Registered with professional Associate Body e.g. CA (SA) | | | | | | | | | | | | | | T 4.5.1 |

Chapter 4

| Financial Competency Development: Progress Report* | | | | | | |
|---|--|---|--------------------------------|--|--|--|
| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials | 31 | 0 | 31 | 16 | 0 | 16 |
| <i>Accounting officer</i> | 1 | 0 | 1 | 1 | 1 | 1 |
| <i>CFO</i> | 1 | 0 | 1 | 1 | 1 | 1 |
| <i>Senior managers</i> | 1 | 0 | 1 | 1 | 1 | 1 |
| <i>Any other financial officials</i> | 16 | 0 | 16 | 16 | 0 | 16 |
| SCM Officials | 5 | 0 | 5 | 4 | 0 | 4 |
| <i>Heads of SCM units</i> | 1 | 0 | 1 | 1 | 1 | 1 |
| <i>SCM senior managers</i> | 1 | 0 | 1 | 1 | 1 | 1 |
| TOTAL | 23 | 0 | 23 | 23 | 3 | 23 |
| * This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) | | | | | | T 4.5.2 |

Skills Development Expenditure

Chapter 4

| Management level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 2016/17 | | | | | | | |
|--|--------|---|--|--------------|---------------------------------------|------------|-------------------------|--------|-----------------|--------------|
| | | | Learnerships | | Skills programs & other short courses | | Other forms of training | | Total | |
| | | | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and S57 | Female | 1 | R600 000.00 | | | | | | | |
| | Male | 2 | | | | | | | | |
| Legislators, senior officials and managers | Female | 14 | | R 47 880.00 | | | | | | R 47 880.00 |
| | Male | 11 | | R 158 880.00 | | | | | | R 158 880.00 |
| Professionals | Female | 18 | | R33 223.00 | | | | | | R33 223.00 |
| | Male | 10 | | | | R7 625.00 | | | | R7 625.00 |
| Technicians and associate professionals | Female | 4 | | | | | | | | |
| | Male | 6 | | | | R34 067.36 | | | | R34 067.36 |
| Clerks | Female | 25 | | R 199 728.00 | | R26 875.00 | | | | R26 875.00 |
| | Male | 11 | | | | | | | | |
| Service and sales workers | Female | 25 | | | | | | | | |
| | Male | 11 | | | | | | | | |
| Service and sales workers | Female | 7 | | | | | | | | |
| | Male | 12 | | | | | | | | |
| Skilled workers | Female | 0 | | | | | | | | |
| | Male | 2 | | | | | | | | |
| Elementary occupations | Female | 18 | | | | | | | | |
| | Male | 19 | | | | | | | | |

Chapter 4

| | | | | | | | | | | |
|---|------------|-----|----------------|-----------------|-----|---------------|-----|-----|-----------|-----------------|
| Sub total | Fem ale | 87 | | R81 103.00 | | R3450 0.00 | | | | |
| | Male | 82 | | R 158 880.00 | Nil | R34 067.36 | Nil | Nil | | 308 550.36 |
| Total | | 169 | R600 000.00 | R39 983.00 | 0 | R68 567.36 | 0 | 0 | | |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan. | | | | | | | | | %* | R 308 550.36 |
| | | | | | | | | | | T4.5.3 |

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality is mandated by Training and Development Act to submit Annual Training report to develop and submit the Workplace skills Plan (WSP) to Local Government SETA by 30th of April each year. After submission of WSP and Annual Training Plan the Municipality is entitled to claim mandatory grant as the levy paying organisation and the grant is used for training of Councillors and Employees. Over and above that there is an amount that is budgeted by the municipality for trainings for each financial year.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

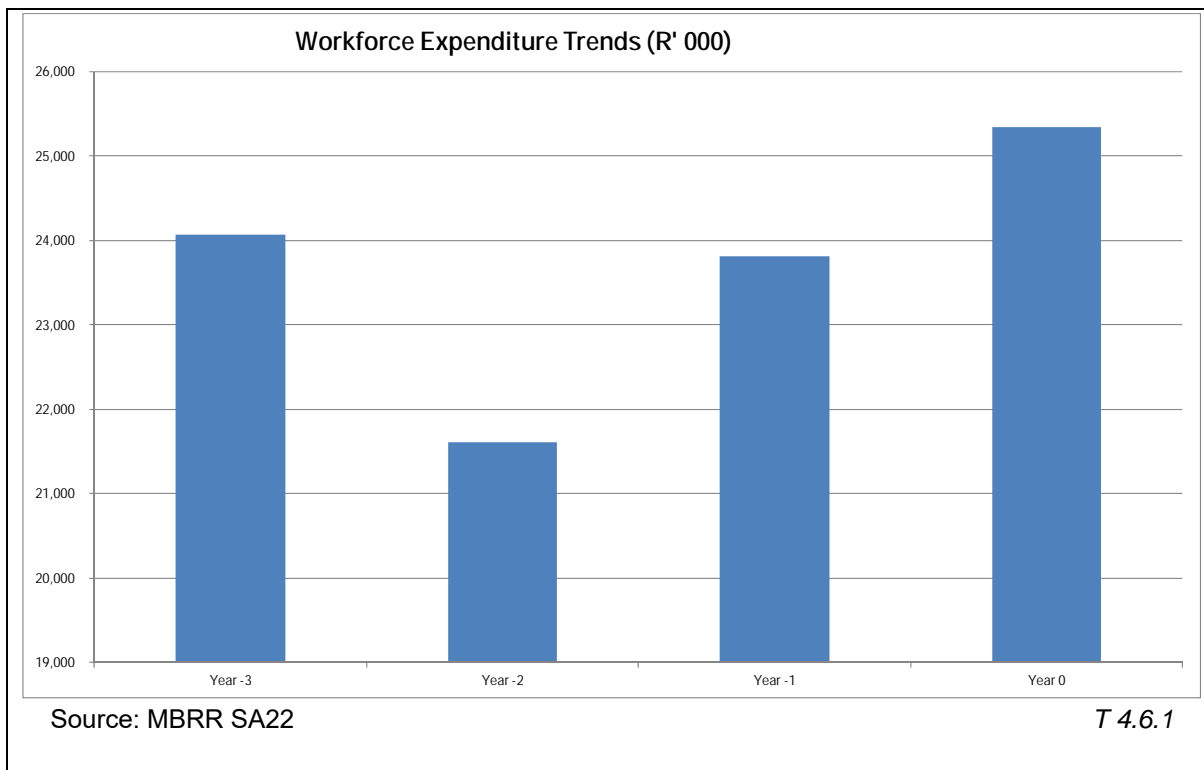
INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality's budget on employee related costs is based on the funded organogram which is linked to task grades. The municipality therefore spend according to the budgeted work force and monthly reports are submitted to check if there are any huge budget variances. The municipality has from previous years implemented competitive salaries which has attracted more skilled and talented staff and in turn increased the salary bill.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4



COMMENT ON WORKFORCE EXPENDITURE:

The municipality spend according to the approved budget. The work force spending varies from one year to the next due to the increase in the budget for employee related costs. The increase is influenced by negotiations in the Bargaining Council; HR Related policies and/or inflation rate.

T 4.6.1.1

DISCLOSURES OF FINANCIAL INTERESTS

Refer AFS

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality make use of consultants for certain services where the municipality does not have the expertise or capacity to perform that service. The use of consultants is very limited as the municipality has taken an approach of capacitating its staff and reduce the use of consultants. The consultants used in the current year were mainly in the following areas: *professional services for construction of roads, maintenance of the Infrastructure Asset Register.*

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K***

The annual financial statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

| Reconciliation of Table A1 Budget Summary | | | | | | | | | | | | | | | |
|--|-----------------|---|--------------------------|--|---|-----------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| Description | Year 0 | | | | | | | | | | | Year -1 | | | |
| | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousands | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| Financial Performance | | | | | | | | | | | | | | | |
| Property rates | 25,791 | - | 25,791 | - | | 25,791 | 18,229 | | (7,562) | 70.68 | -29.32 | | | | 22,787 |
| Service charges | 13,870 | - | 13,870 | - | | 13,870 | 17,999 | | 4,129 | 129.77 | 29.77 | | | | 15,640 |
| Investment revenue | 225 | 275 | 500 | - | | 500 | 4,238 | | 3,738 | 847.66 | 1659.02 | | | | 319 |
| Transfers recognised - operational | 45,547 | - | 45,547 | - | | 45,547 | 58,025 | | 12,478 | 127.40 | 27.40 | | | | 44,804 |
| Other own revenue | 24,616 | (8,907) | 15,709 | | | 15,709 | 11,530 | | (4,179) | 73.40 | -16.98 | | | | 8,915 |
| Total Revenue (excluding capital transfers and contributions) | 110,049 | (8,632) | 101,417 | | | 101,417 | 110,022 | | 8,605 | 108.48 | 7.82 | | | | 92,465 |
| Employee costs | 50,444 | 1,151 | 51,596 | - | | 51,596 | 51,750 | | 155 | 100.30 | 0.31 | | | | 48,740 |
| Remuneration of councillors | 4,600 | - | 4,600 | - | | 4,600 | 2,024 | | (2,576) | 227.3 | -56.00 | | | | 4,157 |
| Debt impairment | 12,500 | - | 12,500 | | | 12,500 | 1,221 | - | (11,279) | - | - | | | | 10,237 |
| Depreciation & asset impairment | 25,000 | (7,000) | 18,000 | | | 18,000 | 20,485 | - | 2,485 | 0 | 81.939948 | | | | 21,542 |
| Finance charges | 665 | 35 | 700 | - | - | 700 | 1,566 | - | 866 | 223.8 | 235.5 | | | | 2,430 |
| Materials and bulk purchases | 8,700 | 2,036 | 10,736 | - | - | 10,736 | 8,741 | | (1,995) | 81.42 | 100.47 | | | | 8,497 |
| Transfers and grants | - | - | - | - | - | - | - | - | 0 | 0 | 0 | | | | - |
| Other expenditure | 32,678 | (9,801) | 23,077 | - | - | 23,077 | 20,862 | - | (2,215) | 90.40 | -6.78 | | | | 64,052 |
| Total Expenditure | 134,587 | (13,579) | 121,209 | | - | 121,209 | 106,650 | - | (14,558) | 87.99 | -10.82 | | | | 159,655 |
| Surplus/(Deficit) | (24,538) | 4,946 | (19,791) | - | | (19,791) | 3,372 | | 23,163 | -117.04 | -94.40 | | | | (67,191) |
| Transfers recognised - capital | 17,116 | 238 | 17,354 | - | | 17,354 | 11,853 | | (5,501) | 68.30 | 69.25 | | | | 16,028 |
| Contributions recognised - capital & contributed assets | - | - | - | | | - | - | | | | | | | | - |
| Surplus/(Deficit) after capital transfers & contributions | | | | | | | | | | | | | | | - |
| Share of surplus/ (deficit) of associate | | | - | | | - | | | | | | | | | - |
| Surplus/(Deficit) for the year | (7,422) | 5,184 | (2,438) | - | | (2,438) | 15,225 | | 17,663 | -724.57 | -205.14 | | | | (51,163) |
| Capital expenditure & funds sources | | | | | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | | | | | |
| Transfers recognised - capital | 17,207 | (409) | 16,798 | - | | 16,798 | 8,300 | | (8,498) | -50.59 | 48.24 | | | | 13,473 |
| Public contributions & donations | - | - | - | - | | - | - | | 0 | 0 | 0 | | | | - |
| Borrowing | - | - | - | - | | - | - | | 0 | 0 | 0 | | | | - |
| Internally generated funds | 420 | 9,267 | 9,687 | - | | 9,687 | 2,898 | | (6,789) | 29.92 | -1616.33 | | | | 168 |
| Total sources of capital funds | 17,627 | 8,858 | 26,485 | - | | 26,485 | 11,198 | | (15,287) | 42.28 | 63.53 | | | | 13,641 |
| Cash flows | | | | | | | | | | | | | | | |
| Net cash from (used) operating | 18,426 | - | 18,426 | - | | 18,426 | 25,299 | | 6,873 | 137.30 | 37.30 | | | | 11,224 |
| Net cash from (used) investing | (17,627) | (10,618) | (28,245) | - | | (28,245) | (11,198) | | 17,047 | 39.65 | -96.71 | | | | (13,641) |
| Net cash from (used) financing | (418) | - | (418) | - | | (418) | (847) | | (429) | 202.63 | 102.63 | | | | - |
| Cash/cash equivalents at the year end | 381 | (10,618) | (10,236) | | | (10,236) | 13,804 | | 24,041 | -134.86 | 6305.66 | | | | 2,156 |

T 5.1.1

Chapter 5

| Financial Performance of Operational Services | | | | | | |
|---|---------------|-----------------|--------------------|---------------|-----------------|--------------------|
| Description | R '000 | | | | | |
| | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Operating Cost | | | | | | |
| Water | - | - | - | - | 0.00% | 0.00% |
| Waste Water (Sanitation) | - | - | - | - | 0.00% | 0.00% |
| Electricity | 11,300 | 13,406 | 15,253 | 6,285 | -113.31% | -142.70% |
| Waste Management | 6,242 | 15,974 | 11,192 | 4,637 | -244.49% | -141.37% |
| Housing | - | - | - | - | 0.00% | 0.00% |
| Component A: sub-total | 17,542 | 29,380 | 26,445 | 10,922 | -169.01% | -142.14% |
| Waste Water (Stormwater Drainage) | - | - | - | - | 0.00% | 0.00% |
| Roads | 11,047 | 8,945 | 9,975 | 8,143 | -9.85% | -22.50% |
| Transport | - | - | - | - | 0.00% | 0.00% |
| Component B: sub-total | 11,047 | 8,945 | 9,975 | 8,143 | -9.85% | -22.50% |
| Planning(MM) | 8,521 | 6,876 | 5,923 | 3,398 | -102.35% | -74.30% |
| Local Economic Development | 3,919 | 5,530 | 5,361 | 2,393 | -131.10% | -124.04% |
| Component B: sub-total | 12,440 | 12,406 | 11,284 | 5,791 | -114.23% | -94.85% |
| Planning (Strategic & Regulatory) | - | - | - | - | 0.00% | 0.00% |
| Local Economic Development | - | - | - | - | 0.00% | 0.00% |
| Component C: sub-total | - | - | - | - | 0.00% | 0.00% |
| Community & Social Services | 2,385 | 2,521 | 2,059 | 631 | -299.76% | -226.44% |
| Environmental Protection | - | - | - | - | 0.00% | 0.00% |
| Health | - | - | - | - | 0.00% | 0.00% |
| Security and Safety | 2,068 | 4,909 | 4,059 | 1,687 | 0.00% | 0.00% |
| Sport and Recreation | - | - | - | - | 0.00% | 0.00% |
| Corporate Policy Offices and Other | 14,590 | 12,067 | 11,320 | 4,479 | -169.42% | -152.72% |
| Component D: sub-total | 19,043 | 19,498 | 17,437 | 6,797 | -186.87% | -156.56% |
| Total Expenditure | 60,072 | 70,228 | 65,142 | 31,652 | -121.87% | -105.80% |
| In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. | | | | | | T 5.1.2 |

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is completed – Comment on variances above 10%.

T5.1.3

Chapter 5

5.2 GRANTS

| Grant Performance | | | | | | |
|---|---------|--------|--------------------|-----------------|---------------------|------------------------|
| Description | Year -1 | Year 0 | | Year 0 Variance | | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Operating Transfers and Grants | | | | | | |
| National Government: | 58 490 | 58 853 | 54 853 | 65 255 | | |
| Equitable share | 39 452 | 38 154 | 38 154 | 50 202 | 132 | 131.58 |
| Municipal Infrastructure Grant | 12 023 | 11 116 | 11 116 | 9 853 | 89 | 88.64 |
| Finance Management | 2 010 | 2 415 | 2 415 | 2 417 | 100 | 100.09 |
| EPWP Incentive | 1 000 | 1 168 | 1 168 | 783 | 67 | 67.01 |
| Integrated National Electrification Program | 4 005 | 6 000 | 2 000 | 2 000 | 33 | 100.00 |
| Provincial Government: | 2 342 | 410 | 450 | - | | |
| Treasury Grant | 1 931 | - | - | - | | |
| IEC Grant | 1 | - | - | - | | |
| Sports and Recreation | 410 | 410 | 450 | - | 0 | 0 |
| District Municipality: | - | - | - | - | | |
| <i>[insert description]</i> | | | | | | |
| Other grant providers: | - | - | - | 4 624 | | |
| <i>Cogta Grant</i> | - | - | - | 1 148 | | |
| <i>DEDEAT</i> | - | - | - | 3 476 | | |
| Total Operating Transfers and Grants | 60 832 | 59 263 | 55 303 | 69 879 | | |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. | | | | | | T 5.2.1 |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

A major variance in unconditional grant (Equitable Share) received was due to errors occurred in the financial system while preparing Annual Financial Statement. This error has been documented in the Audit Action Plan and will be rectified in the 2019/2020 Financial Year. Conditional grants were not fully received, an amount of R4 million for INEP was withheld due to not meeting the requirements of the grant during the year. MIG and EPWP were received in full. The spending for conditional grants was 100% for the transferred amounts except for EPWP.

Chapter 5

T 5.2.2

T 5.2.3 N/A

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

An additional grant was received from DEDEAT.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality has an asset policy that is to facilitate the effective management control and maintenance. The following are the key objectives of the policy:

- Ensure the accurate recording of asset information
- The accurate recording of asset movement
- Excising strict physical control over all the assets
- Provide correct and meaningful information
- Ensure that insurance is provided for all assets
- Ensure maintenance of Council assets
- Also makes provisions for asset disposals

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

| Asset 1 | | | | |
|------------------------|-----------------------------|---------|---------|------------|
| Name | High Mast Lights | | | |
| Description | | | | |
| Asset Type | Public Lighting Electricity | | | |
| Key Staff Involved | Manager Infrastructure | | | |
| Staff Responsibilities | | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | | | | 587,473.63 |
| Capital Implications | | | | |

Chapter 5

| | | | | |
|-----------------------------------|--|---------|---------|--------------|
| Future Purpose of Asset | Public Lighting in Siviwe Location | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 2 | | | | |
| Name | Access Road to Zone 10 | | | |
| Description | Gravel Road | | | |
| Asset Type | Access Road | | | |
| Key Staff Involved | Manager Infrastructure | | | |
| Staff Responsibilities | | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | | | | 1,362,882.00 |
| Capital Implications | | | | |
| Future Purpose of Asset | Linking of Zone 10 community to services | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 3 | | | | |
| Name | Refuse Truck | | | |
| Description | Cage Truck | | | |
| Asset Type | Transport Assets | | | |
| Key Staff Involved | Manager Community Services | | | |
| Staff Responsibilities | | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | | | | 511,276.00 |
| Capital Implications | | | | |
| Future Purpose of Asset | Refuse Collection | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Yes | | | |
| | | | | T 5.3.2 |

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Delete Directive note once comment is completed – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19 (2) (a) & (b) and MSA section 74 (2) (d), (e) & (i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T 5.3.3

| Repair and Maintenance Expenditure: Year 0 | | | | |
|--|-----------------|-------------------|--------|-----------------|
| | | | | R' 000 |
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 7,285 | 1,674 | 653 | 91% |

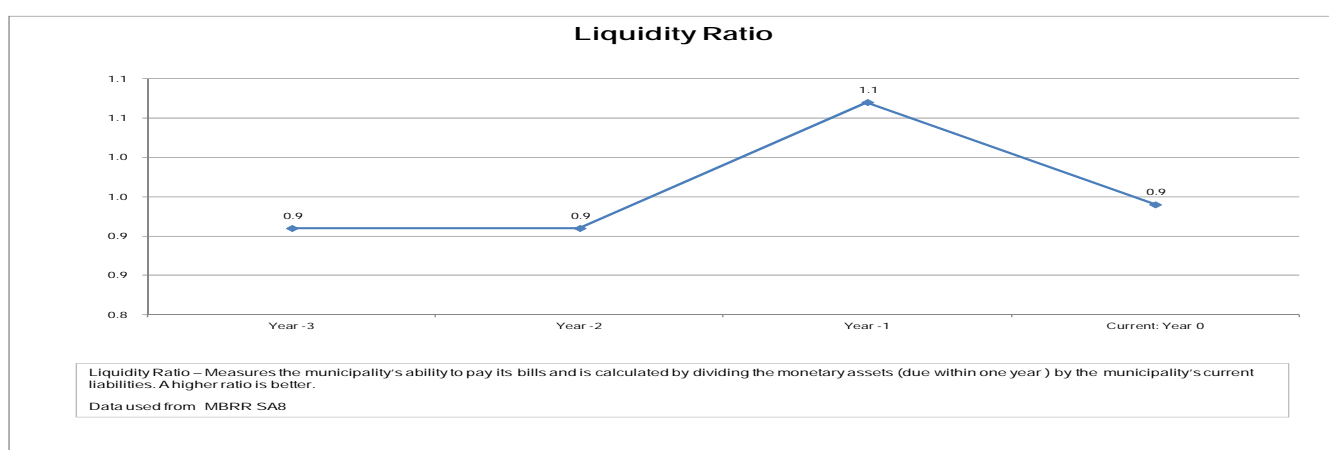
T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has budgeted for Repairs and Maintenance at less than 8% of the PPE which is not in line with National Treasury Norms due to cash flow constraints. The actual expenditure 91% of the budgeted amount which is based on what the municipality can afford. The municipality has also used the EPWP casuals to carry out some of the repairs required for roads.

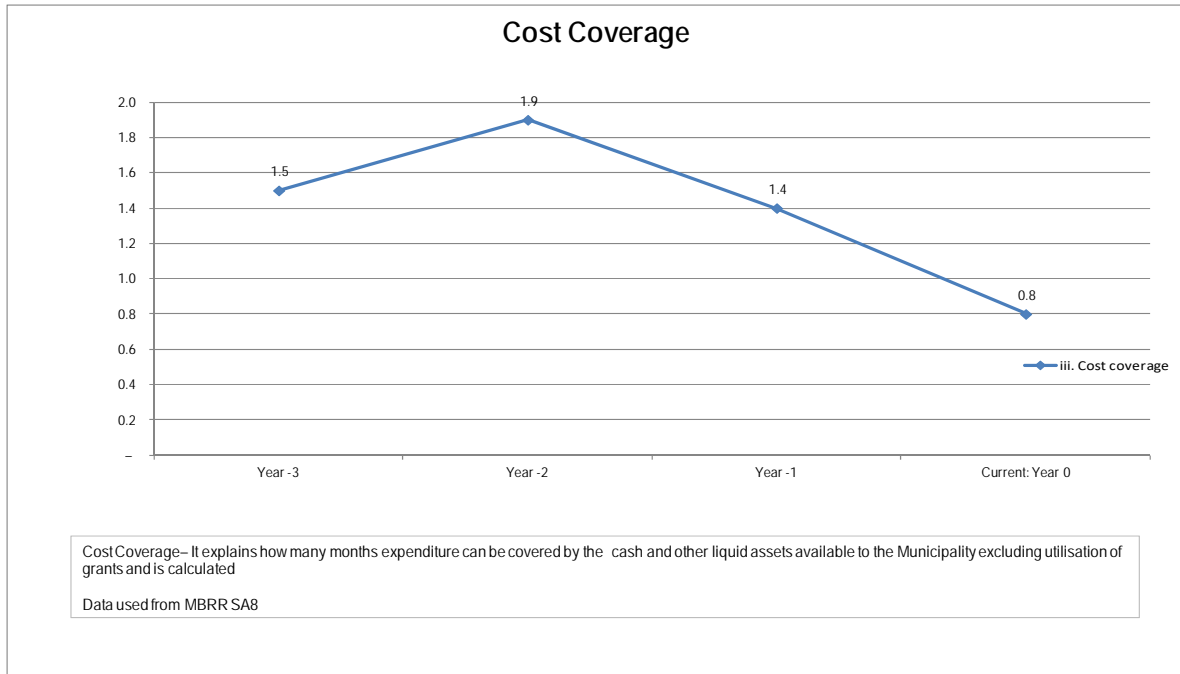
T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

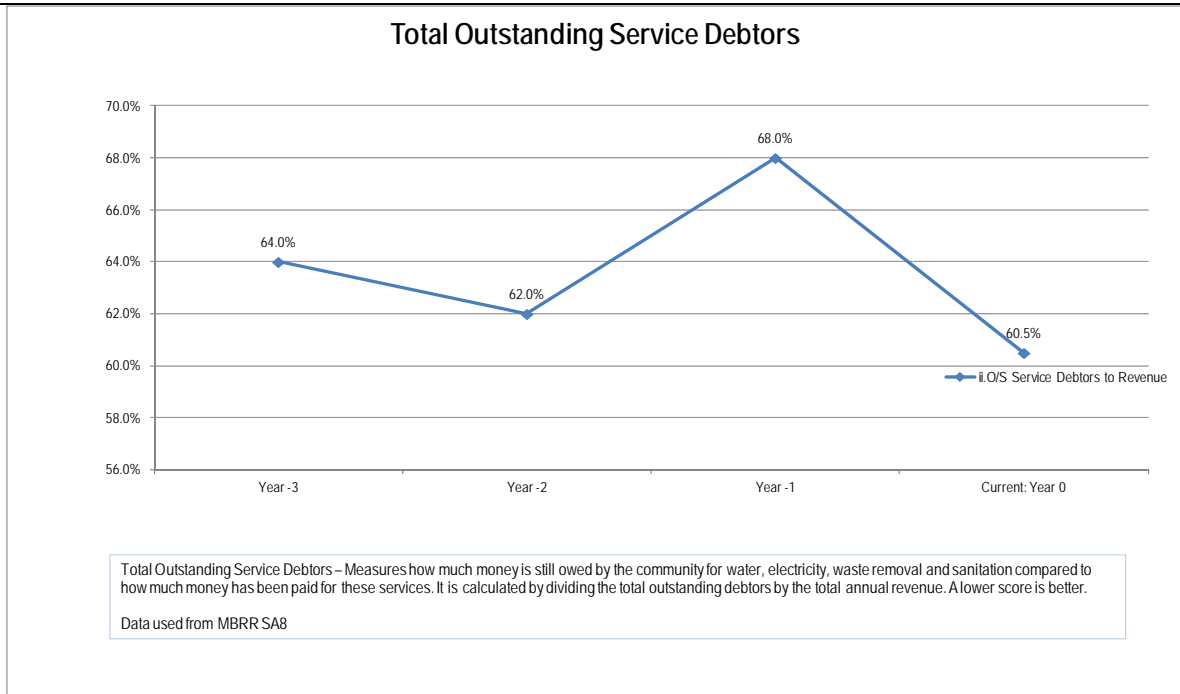


Chapter 5

T 5.4.1



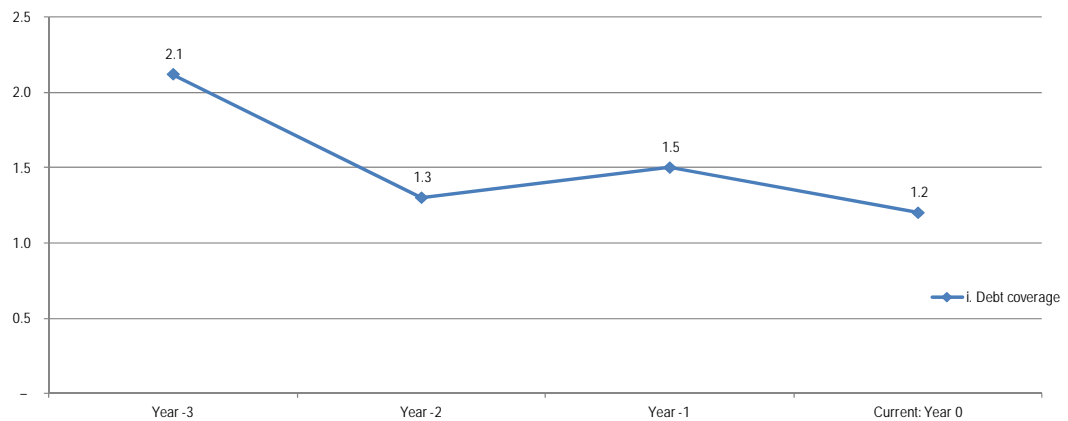
T 5.4.2



Chapter 5

T 5.4.3

Debt Coverage

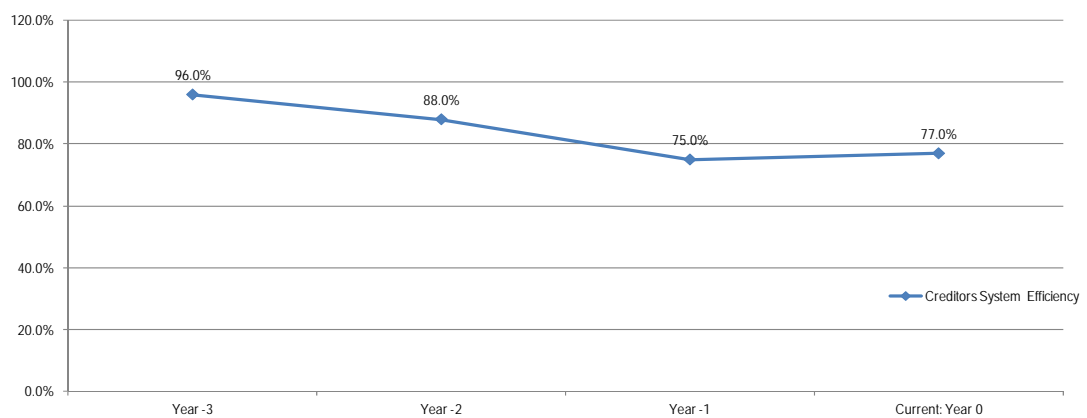


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency



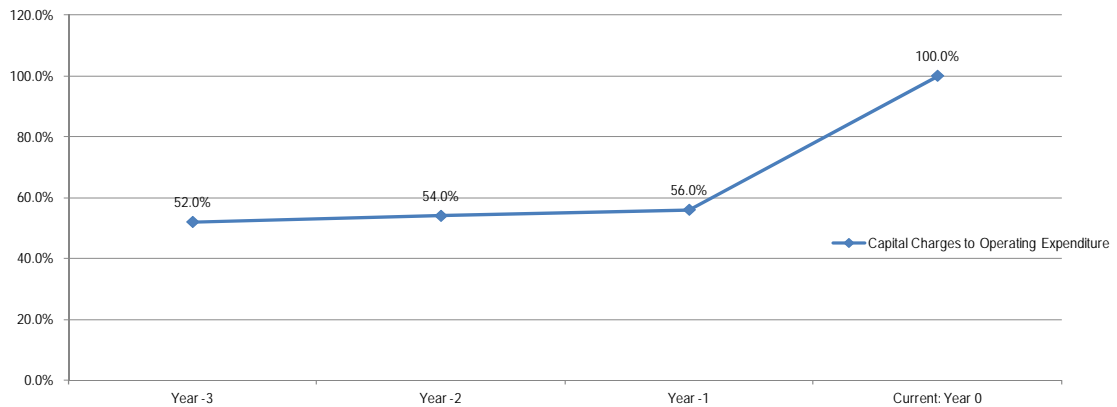
Creditor System Efficiency– The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

Chapter 5

T 5.4.5

Capital Charges to Operating Expenditure

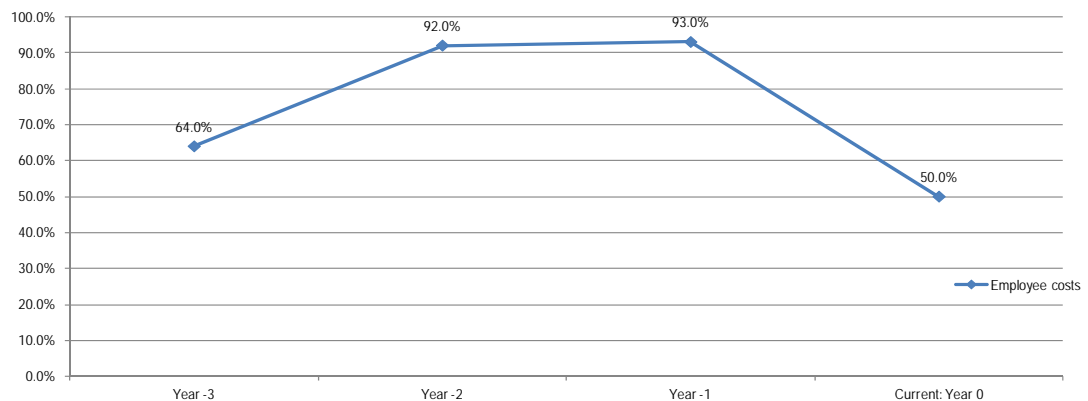


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

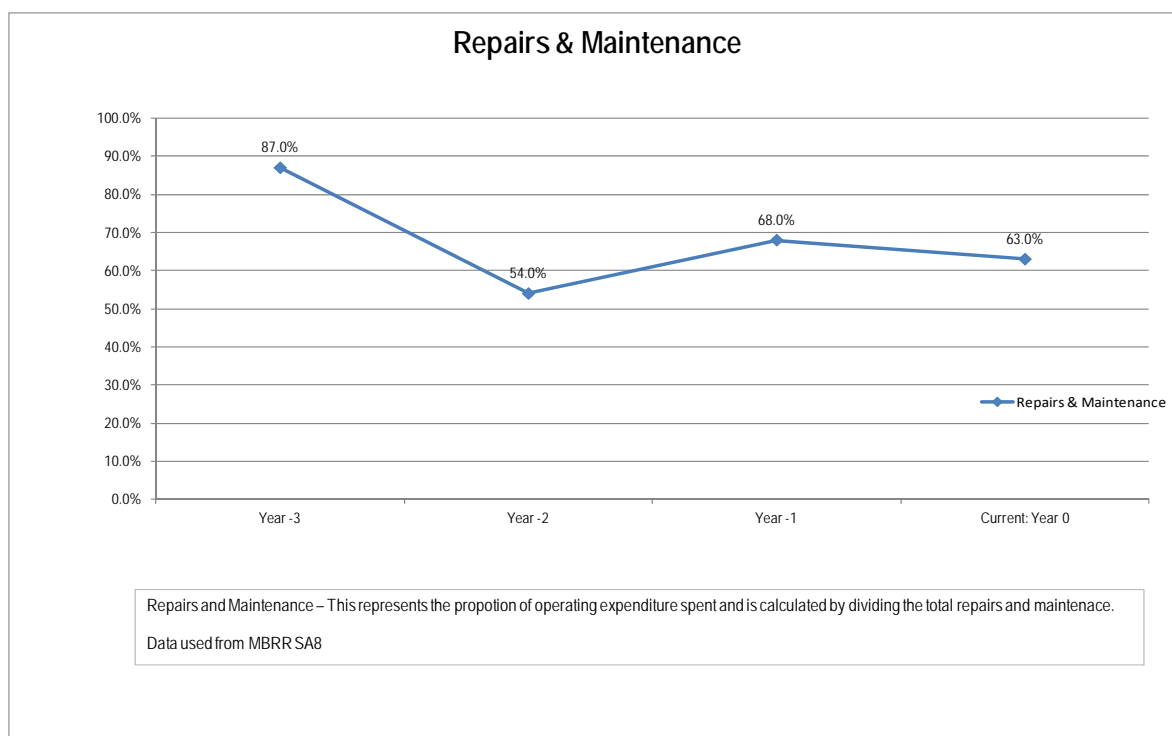


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Chapter 5



T 5.4.8

COMMENT ON FINANCIAL RATIOS:

The financial health of the municipality has showed steady progress over the past years however is still struggling on cash flow due to increasing expenses and historic debts. Various revenue strategies have been used including the implementation of financial recovery plan, credit control policy, in spite of all this the municipality is still struggling financially. The liquidity ratio of the municipality is less than the norm at 0.6 which means the municipality is struggling to pay its creditors on time. The number of days for debtors has not changed compared to last year but creditors payments has not improved either this year due to cash flow constraints. The portion of revenue used to fund employee costs has reduced by 1% compared to last year because vacant funded positions were not filled and employees who have resigned were not replaced due to financial constraints.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

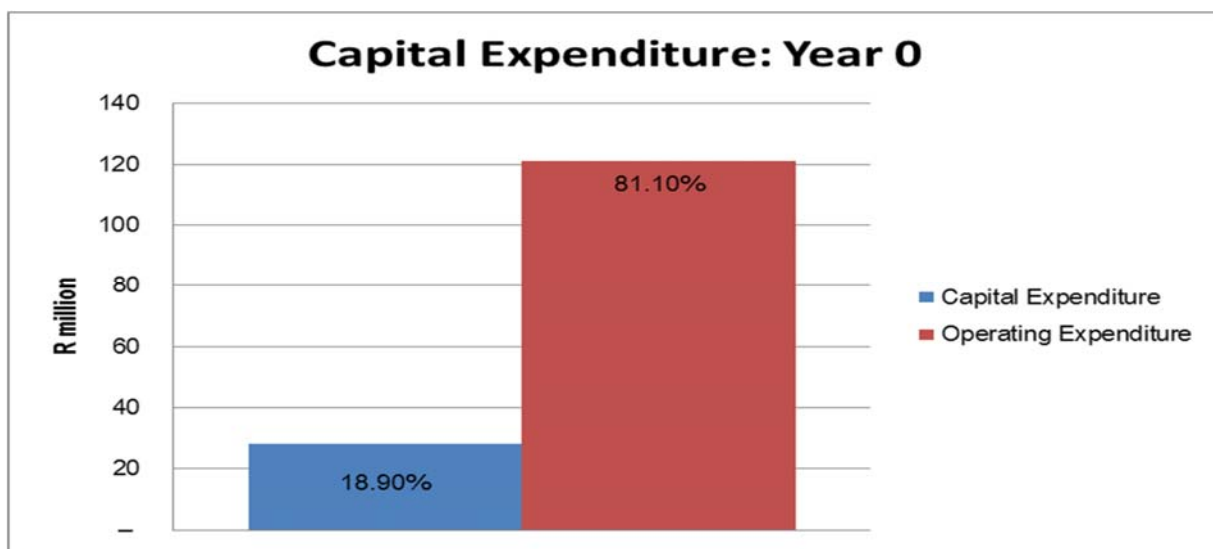
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The budget for capital expenditure is mostly funded by the Municipal Infrastructure Grant. The municipality has limited budget from its own revenue to fund capital projects because of other operation requirements that are increasing. The capital projects are as per the approved IDP

Chapter 5

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.1

Chapter 5

5.6 SOURCES OF FINANCE

| Capital Expenditure - Funding Sources: Year -1 to Year 0 | | | | | | |
|--|--------------|----------------------|-------------------|---------------|-------------------------------|---------------------------|
| R' 000 | | | | | | |
| Details | Year -1 | Year 0 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | |
| External loans | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Public contributions and donations | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Grants and subsidies | 13473 | 17,207 | 16,798 | 11,490 | -2.38% | -33.22% |
| Other | 168 | 420 | 9,687 | 0 | 2206.32% | -100.00% |
| Total | 13641 | 17,627 | 26,485 | 11,490 | 2203.95% | -133.22% |
| Percentage of finance | | | | | | |
| External loans | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Public contributions and donations | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants and subsidies | 98.8% | 97.6% | 63.4% | 100.0% | -0.1% | 24.9% |
| Other | 1.2% | 2.4% | 36.6% | 0.0% | 100.1% | 75.1% |
| Capital expenditure | | | | | | |
| Water and sanitation | | | | | 0.00% | 0.00% |
| Electricity | 4005 | 6,000 | 2,000 | 2,000 | -66.67% | -66.67% |
| Housing | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Roads and storm water | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Other | 0 | 0 | 0 | 9,490 | 0.00% | 0.00% |
| Total | 4005 | 6,000 | 2,000 | 11,490 | -66.67% | -66.67% |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Electricity | 100.0% | 100.0% | 100.0% | 17.4% | 100.0% | 100.0% |
| Housing | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Roads and storm water | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 82.6% | 0.0% | 0.0% |

T 5.6.1

COMMENT ON SOURCES OF FUNDING:

Capital projects were funded through conditional grant, all expenditure is according to the grant conditions. The allocations was fully spent with the exception of projects funded form Integrated National Electrification Grants and only small percentage relating to retention monies not yet due that was not paid by the end of the financial year. Graph 5.5.1 depicts that the municipality spends most of its budget on operational expenditure compared to capital expenditure with the employee related cost as cost driver.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 7 LARGEST PROJECTS

| Capital Expenditure of 5 largest projects* | | | | | |
|--|-----------------|-------------------|--------------------|--------------------------|-------------------------|
| Name of Project | Current: Year 0 | | | Variance: Current Year 0 | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| | | | | | |
| A - Construction of Nyarha Internal Roads | 1,888,375 | 2,308,375 | 2,063,238 | -9% | -22% |
| B - Construction of Tainton Internal Street | 1,888,375 | 2,040,687 | 2,040,690 | -8% | -8% |
| C - Construction/Upgrading of Cwili Internal Roads | 2,700,000 | 1,688,401 | 1,843,425 | 32% | 37% |
| D - Construction of Mzweni Community Hall | 2,700,000 | 2,492,672 | 2,558,939 | 5% | 8% |
| E - Closure of landfill Site | 1,000,000 | 900,000 | 402,907 | 60% | 10% |
| F - Feasibility study of Agri Park | 1,000,000 | 654,954 | 581,244 | 42% | 35% |
| G - Electrification | 6,000,000 | 2,000,000 | 1,999,999 | 67% | 67% |

COMMENT ON CAPITAL PROJECTS:

Refer to Chapter 3

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is completed – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T 5.8.1

| Service Backlogs as at 30 June Year 0 | | | | |
|---------------------------------------|---------------------------------------|-------|--|-------|
| | *Service level above minimum standard | | **Service level below minimum standard | |
| | No. HHs | % HHs | No. HHs | % HHs |
| | | | | |
| Water | | % | | % |
| Sanitation | | % | | % |
| Electricity | | % | | % |
| Waste management | | % | | % |
| Housing | | % | | % |

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

Chapter 5

| Capital Expenditure Year 2018/19: Road Services | | | | | |
|---|---|--------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 2018/19 | | | | |
| | Project Name | Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Dintwa Trading CC | Construction of Icwili Internal Streets | 1 688 401,37 | | | |
| Azizi Plant Hire & Construction | Construction of Taiton Internal Streets | 1 835 206,86 | | | |
| Azizi Plant Hire & Construction | Construction of Taiwan Internal Streets | 1 968 214,13 | | | |
| Freemason Construction CC | Construction of Mzwini Community Hall | 2 492 672,15 | | | |
| | | | | | T 5.8.3. |

COMMENT ON BACKLOGS:

Delete Directive note once comment is completed - Comment on how MIG grants have been utilized to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The Municipality is aware of its cash flow challenges and in that has put in place some control measures in the form setting realistic monthly cash flow projections to ensure that there is a proper monitoring between inflow and outflow of cash in the municipal main bank account. A payment plan is in place to manage the payment of creditors and the deployment of robust debt collection processes. The Municipality has required services of a debt collector which has contributed in the improvement of

Chapter 5

collection rate. A financial recovery plan has also been developed and implemented within the municipality as means of improving municipal cash flow.

The Municipality is grant dependent with the Equitable Share making up its biggest revenue source on the budget. With the decrease in grants on the outer years this then impels the municipality to identify new revenue sources and increase revenue collection strategies so as to meet its operational demands. Cost cutting measures were also applied within the municipality to assist in reducing spending on nice to have and focus on service delivery based projects.

T 5.9

| Cash Flow Outcomes | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| R'000 | | | | |
| Description | Year -1 | Current: Year 0 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Ratepayers and other | 43,040 | 50,521 | 50,521 | 16,623 |
| Government - operating | 44,478 | 45,547 | 45,547 | 57,387 |
| Government - capital | 14,699 | 17,116 | 17,116 | 11,853 |
| Interest | 111 | 2,329 | 2,329 | 12,932 |
| Dividends | - | - | - | - |
| Payments | | | | |
| Suppliers and employees | (76,492) | (96,840) | (96,840) | (71,459) |
| Finance charges | (3,076) | (247) | (247) | (2,038) |
| Transfers and Grants | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 22,760 | 18,426 | 18,426 | 25,299 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | - | - | - | - |
| Decrease (Increase) in non-current debtors | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - |
| Payments | | | | |
| Capital assets | (21,277) | (17,627) | (28,245) | (11,198) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (21,277) | (17,627) | (28,245) | (11,198) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short term loans | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - |
| Payments | | | | |
| Repayment of borrowing | (672) | (418) | (418) | (847) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (672) | (418) | (418) | (847) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 812 | 381 | (10,236) | 13,254 |
| Cash/cash equivalents at the year begin: | (262) | 550 | 550 | 550 |
| Cash/cash equivalents at the year end: | 550 | 931 | (9,686) | 13,804 |
| Source: MBRR A7 | | | | T 5.9.1 |

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5.9 CASH FLOW

COMMENT ON CASH FLOW OUTCOMES:

The cash flow outcome reflects that all grants and subsidies budgeted for in the current year were received in full with the exception of INEP which was reduced by R4 million, further to that Cogta has paid R1,4 million against Bulk Electricity debt. A 33% has been received from rates and other services offered within the municipality further to that this percentage has reduced by 60% compared to 2017/18 financial year, this is also as a result of errors in the financial system. The municipality had an overdraft facility of R8 million which it has been able to repay within the financial year, however payment of salaries and creditors on time remain a huge challenge due to financial challenges and low rate of collection. The municipality has developed and implemented a financial recovery plan to assist improve its financial crisis. **Table A7 of the MBRR.**

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

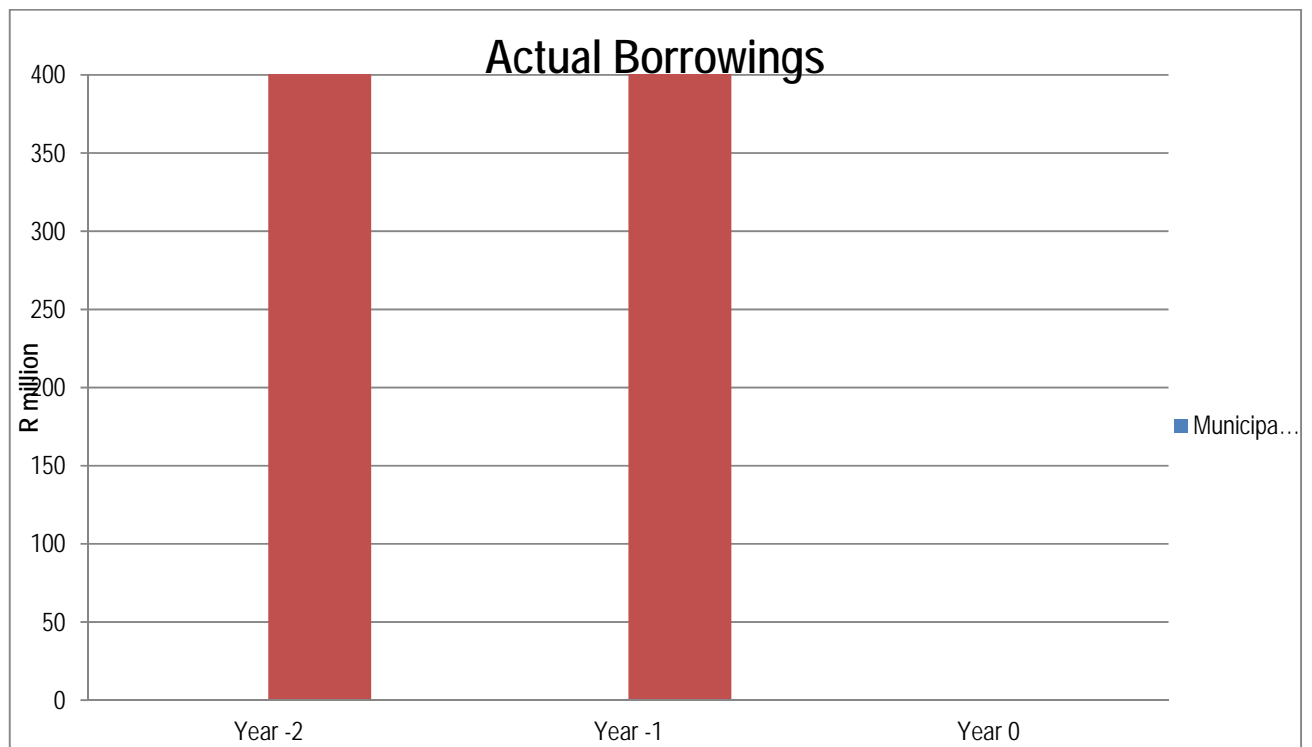
INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality had secured one long-term loan with DBSA which is paid quarterly. The loan term expired in current year and this loan was paid in full in March 2019. There were no additional loans in the year under review. The municipality has investments in the form of call deposits which consist of government grants and subsidies not yet used and we also keep our surpluses. All these accounts are with Standard Bank the municipality's primary banker. The funds are readily available for use.

T 5.10.1

| Actual Borrowings: Year -2 to Year 0 | | | |
|--|--------------|------------|----------|
| | R' 000 | | |
| Instrument | Year -2 | Year -1 | Year 0 |
| Municipality | | | |
| Long-Term Loans (annuity/reducing balance) | 1971 | 804 | 0 |
| Long-Term Loans (non-annuity) | | | |
| Local registered stock | | | |
| Instalment Credit | | | |
| Financial Leases | | | |
| PPP liabilities | | | |
| Finance Granted By Cap Equipment Supplier | | | |
| Marketable Bonds | | | |
| Non-Marketable Bonds | | | |
| Bankers Acceptances | | | |
| Financial derivatives | | | |
| Other Securities | | | |
| Municipality Total | 1 971 | 804 | 0 |

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T 5.10.3

| Municipal and Entity Investments | | | |
|--|-------------------|-------------------|------------------|
| R' 000 | | | |
| Investment* type | Year -2 Actual | Year -1 Actual | Year 0 Actual |
| <u>Municipality</u> | | | |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | 20104 | -5 | 5511 |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Municipal Bonds | | | |
| Other | | | |
| Municipality sub-total | 20104 | -5 | 5511 |

Chapter 5

| Municipal and Entity Investments | | | |
|--|------------|-------------|--------------|
| R' 000 | | | |
| Investment* type | Year -2 | Year -1 | Year 0 |
| | Actual | Actual | Actual |
| <u>Municipality</u> | | | |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | 331 | 1071 | 20104 |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Municipal Bonds | | | |
| Other | | | |
| Municipality sub-total | 331 | 1071 | 20104 |

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

The municipality has no reserves in place but only investments in the form of call deposit which yield interest on monthly basis.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

There were no PPP agreements undertaken during the 2017/18 financial year.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management unit is in full operation, and consists of qualified individuals. Administratively it reports to the Chief Financial Officer. All functions contained under the legislative mandate of the Supply Chain Management are fully implemented considering the number of employees in that section; the SCM Unit consists of Supply Chain Manager, Accountant - Assets, Accountant SCM, Assistant Accountant – SCM and Stores Clerk. The SCM Manager, Accountant SCM and Assistant Accountant SCM are compliant with MFMA minimum competency levels for SCM officials, There were no material findings reported for SCM in the 2017/18 financial year.

T 5.12.1

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5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T 5.13.1

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The municipality has prepared Financial Statements in compliance with MFMA sec 122 and submitted to Auditor General on the 01 September 2019. The financial standing of the municipality has reversed in the 2018/19 year. This was evident by regression on the opinion for this current year to a Disclaimer. The Municipality has implemented a financial system which is MSCOA compliant for the first time in this current year. The transfer to this new financial system was had challenges and hence a number of errors in the financial system which resulted in the Annual Financial Statements that Auditor General that could not rely on. The Municipality has developed an Audit Action plan in order to address this and a draft plan of action has been developed for a backlog on the processing of 2019/20 transactions

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year -1

| | |
|---|--|
| Status of audit report: | Unqualified with emphasis of matter |
| Non-Compliance Issues | Remedial Action Taken |
| Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA. | Municipality will compile and implement financial recovery plan to improve its cash flow and payment of creditors within 30 days. |
| reasonable steps were not taken to ensure that fruitless and Wasteful, irregular and unauthorised expenditure is not incurred as required by section 62(1)(d) of the MFMA | municipality will strengthen its controls and processes, take all reasonable steps to comply with section 62(1)(d) of the MFMA |
| The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec 122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements. | The municipality will compile a plan with timeframes to guide the preparation of the AFS and will submit the AFS for external reviews. |

Auditor-General Report on Service Delivery Performance: Year - 1

| | |
|---|--|
| Status of audit report**: | Unqualified with emphasis of matter |
| Non-Compliance Issues | Remedial Action Taken |
| Allegations were not always investigated as required by section 53 of the disciplinary regulations for senior managers and 171(4) of the MFMA | The municipality will adhere to the disciplinary regulations for senior managers. |
| Allegations of financial misconduct laid against officials were not investigated in accordance with the requirements of sections 54 of the municipal regulations on financial misconduct procedures and criminal proceedings | The municipality has established the disciplinary committee as required by section 54 and will proceed according to the requirements of the act. |

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AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

Auditor-General Report on Financial Performance Year 0*

| | |
|--|--|
| Status of audit report: | Disclaimer |
| Non-Compliance Issues | Remedial Action Taken |
| Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA. | Municipality will compile and implement financial recovery plan to improve its cash flow and payment of creditors within 30 days. |
| reasonable steps were not taken to ensure that fruitless and Wasteful of R1,7 million, and is in contravention with section 62 (1)(d) of MFMA. | municipality will strengthen its controls and processes, take all reasonable steps to comply with section 62(1)(d) of the MFMA |
| Accounts for municipal tax and charges for municipal services were not prepared on a monthly basis as required by S64(2) © of MFMA and interest was not charged for all accounts in arrears | Municipality has plans in place to ensure billing is done every month, and to ensure if billing is on time interest is charged |
| The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements. | The municipality will compile a plan with timeframes to guide the preparation of the AFS and will submit the AFS for external reviews. |

Auditor-General Report on Internal Controls: Year 0*

| | |
|--|--|
| Status of audit report**: | Disclaimer |
| Non-Compliance Issues | Remedial Action Taken |
| Leadership did not exercise oversight on performance and compliance reporting | Tightening of oversight committees by sitting as per council calendar dates set and training to be provided |
| Daily and monthly reconciliations were not performed due to ineffective in the implementation of the accounting financial system | Action Plan to speed up processing of transaction for current year has been developed to ensure monthly reconciliations are done |
| Audit committee did not review the annual financial statements and annual performance report as they were not submitted to audit committee for review | Audit committee will ensure sittings as per council calendar to ensure all reports are reviewed. |

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Internal audit unit lacked capacity as internal audit unit was under capacitated for year under review

An incumbent has been employed at internal audit unit as well as assistance from ADM's internal audit unit is provided

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AUDIT ACTION PLAN

| Impact | A.G. recommendation | Management Action | POE | Due date | Responsible person | Department | Sub-department |
|--|--|--|---|--------------------------|--------------------|------------|----------------------|
| Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information. The non-submission of information will result in a limitation of scope in testing the requirements of the MFMA and could result to a material non-compliance which will be reported in the audit report. | <p>Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit.</p> <p>Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information.</p> <p>Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission.</p> | <p>1. Advert inviting the public for representation to be submitted to the A.G</p> <p>2. Advert proving the report was submitted to council</p> <p>3. Evidence that oversight report was made public</p> | <p>1. Advert inviting the public for comments</p> <p>2. Proof of publicizing Oversight report</p> | 31/01/2020 | Juju | Strategic | MM' office |
| This results in non-compliance with section 65 of the MFMA. | The budget and expenditure section should put into place practices that ensure there is enough funds to pay suppliers within 30 days from invoice. Where applicable, Treasury should be approached to assist with financial needs of the municipality. | Report on Financial recovery Plan | <p>1. Financial recovery plan</p> <p>2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.)</p> | On- going (30 June 2020) | Lwana | BTO | Budget and reporting |
| This results in non-compliance with section 65 of the MFMA. | Management should ensure that laws and regulations applicable to the municipality are complied with. Where applicable, Treasury should be approached to assist with financial needs of the municipality. | <p>Prepare a budget that's in line with the expected collection rate with cost containment as major consideration</p> <p>Develop and implement cash flow management strategies with creditor payment plans as part of the strategies</p> <p>Implement revenue enhancement plans</p> <p>Regularly review cash flow requirements and adjust cash low projections and procurement plans where necessary</p> | <p>1. Financial recovery plan</p> <p>2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.)</p> | On- going (30 June 2020) | Lwana | BTO | Budget and reporting |

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| | | | | | | | |
|--|---|--|---|---|-------|-------------|-----|
| <p>The impact of the finding is as follow:</p> <p>Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95.</p> <p>Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45.</p> <p>Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p> | <p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p> | <p>1. Constitute MPAC to relook at items of irregular expenditure that were not appropriately written off as per S32 of MFMA</p> <p>2. Request training from Provincial Treasury on S32 and minute writing</p> | <p>1. Item to Council to constitute a committee to investigate the items</p> <p>2. Training attendance register</p> | <p>1. 27/02/2020</p> <p>2. 14/02/2020</p> | Lwana | MM's office | CFO |
|--|---|--|---|---|-------|-------------|-----|

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|--|---|--|---|---|-------|-------------|-----|
| <p>The impact of the finding is as follow:</p> <p>Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95.</p> <p>Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45.</p> <p>Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p> | <p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p> | <p>1. Constitute MPAC to relook at items of irregular expenditure that were not appropriately written off as per S32 of MFMA</p> <p>2. Request training from Provincial Treasury on S32 and minute writing</p> | <p>1. Item to Council to constitute a committee to investigate the items</p> <p>2. Training attendance register</p> | <p>1. 27/02/2020</p> <p>2. 14/02/2020</p> | Lwana | MM's office | CFO |
|--|---|--|---|---|-------|-------------|-----|

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|--|---|---|---|---|-------|-------------|-----|
| <p>The impact of the finding is as follow:</p> <p>Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95.</p> <p>Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45.</p> <p>Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p> | <p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p> | <p>1. Constitute MPAC to relook at items of unauthorised expenditure that were not appropriately written off as per S32 of MFMA</p> <p>2. Request training from Provincial Treasury on S32 and minute writing</p> | <p>1. Item to Council to constitute a committee to investigate the items</p> <p>2. Training attendance register</p> | <p>1. 27/02/2020</p> <p>2. 14/02/2020</p> | Lwana | MM's office | CFO |
|--|---|---|---|---|-------|-------------|-----|

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|--|---|---|---|---|--------|-------------|---------|
| <p>The impact of the finding is as follow:</p> <p>Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95.</p> <p>Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45.</p> <p>Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p> | <p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p> | <p>1. Constitute MPAC to relook at items of unauthorised expenditure that were not appropriately written off as per S32 of MFMA</p> <p>2. Request training from Provincial Treasury on S32 and minute writing</p> | <p>1. Item to Council to constitute a committee to investigate the items</p> <p>2. Training attendance register</p> | <p>1. 27/02/2020</p> <p>2. 14/02/2020</p> | Lwana | MM's office | CFO |
| <p>This will lead to non -compliance with section 64(2)© and (g) of MFMA and interest income may be understated in the financial statements. The non-compliance is material; as a result, it will be reported in the auditor's report.</p> | <p>Management agrees with finding. Management had a problem with the Financial Management System and there was a delay with the Billing. The municipality was at fault with billing the accounts late, we could not charge interest as penalty of late payment to customers because the Municipality is at fault.</p> | <p>1. Correction of the debtor module on the system to ensure it works as intended</p> <p>2. Timeously billing consumers</p> <p>3. Monthly debtor's reconciliations and reviews</p> <p>4. Passing billing correction journals timeously</p> | <p>none - interest on debtors will not be charged</p> | <p>On- going (30/06/2020)</p> | Fikeni | BTO | Revenue |

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| | | | | | | | |
|--|--|--|--|------------------|---------------------|--------------------|--------------------|
| <p>The non-submission of underlying schedules will result in an inability to audit the following sections of the financial statements and subsequently a scope limitation on the audit of the financial statements of the municipality:</p> <ul style="list-style-type: none"> · Receivables from exchange transactions · Receivables from non-exchange transactions · Provision for impairment · Payables from exchange transactions · Annual Performance Report <p>If this information is not provided it</p> | <p>Management should ensure that a thorough review of the working paper file accompanying the AFS is performed. The review will ensure that omission of any underlying schedules supporting information presented in the financial statements and the annual performance report is detected and corrected in a timely manner prior submission of AFS to the Auditor General.</p> | <p>1. Prepare supporting schedules for all balances, disclosures and class of transactions</p> | <p>1. Supporting schedules for all balances, disclosures and class of transactions</p> | <p>On- going</p> | <p>All sections</p> | <p>MM's office</p> | <p>MM's office</p> |
|--|--|--|--|------------------|---------------------|--------------------|--------------------|

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|--|--|--|---|-------------------|------------------|------------|-----------------------------|
| <p>The annual financial statements are not fairly presented in accordance with requirements of GRAP 1.</p> <p>The misstatements identified are material and if not corrected they might result in a modification of the audit opinion.</p> | <p>A detailed review should be performed on the AFS by management, internal audit and the audit committee before the AFS are submitted to the Auditor General for audit. The review will enable the assurance providers to identify any errors and/or omissions on the financial statements which should be corrected timeously.</p> <p>AFS should be adjusted to ensure fair presentation and compliance with GRAP standards.</p> | <p>1. Investigate all error and restate prior year figures</p> | <p>1. Prior year restatement file (Restatement journals, supporting schedules and calculations)</p> | <p>30/05/2020</p> | <p>Nomaphelo</p> | <p>BTO</p> | <p>Budget and reporting</p> |
|--|--|--|---|-------------------|------------------|------------|-----------------------------|

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|---|--|---|---|-------------------|--------------|------------------|------------------|
| <p>The financial statement items as detailed in the above tables do not materially agree with the general ledger and trial balance, as a result we are unable to audit these financial statement items as we cannot confirm that the accounting records presented are those that were used to prepare the financial statements.</p> <p>Management should amend or reconcile the financial statement items to agree with the general ledger and trial balance within 5 working days as agreed in terms of the engagement letter.</p> <p>If the amendment or reconciliation is not done, this will result in a limitation on the audit and the differences between the underlying accounting records (general ledger and trial balance) and the financial statement items will be regarded as a misstatement. This could result in a modification of the audit opinion.</p> | <p>As part of the review process, management, internal audit and audit committee should ensure that the underlying accounting records (general ledger and trial balance) agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit.</p> | <ol style="list-style-type: none"> 1. Correction of the incorrect migration done by Sebata 2. Review and and confirmation of taken balances from Venus 2. Performance of monthly general and subledger reconciliations and correction of balances 4. Comparison of GL/TB to restated AFS 5. Preparation of a restatement file with all supporting documentation for changes made to prior year figures | <p>1. Prior year restatement file (Restatement journals, supporting schedules and calculations)</p> | <p>30/05/2020</p> | <p>Lwana</p> | <p>BTO</p> | <p>BTO</p> |
| <p>Indicators and targets are not well defined, as a result performance information presented in the APR is not useful. This results in limitation of scope in respect of auditing reliability of performance information. This will be reported in the management report and audit report.</p> | <p>Management should ensure that indicators are clear and unambiguous and data is collected consistently. Management should ensure that targets are specific and measurable. It is recommended that management should develop and make use of technical indicator descriptions which will assist in clearing any ambiguity in indicators.</p> | <p>Review of the APR to ensure the following:</p> <ol style="list-style-type: none"> 1. Ensure that indicators are clear and unambiguous and data is collected consistently. 2. Ensure that targets are specific and measurable. 3. develop and make use of technical indicator descriptions which will assist in clearing any ambiguity in indicators. | <ol style="list-style-type: none"> 1. Quarterly reports and APR 2. Technical Indicator description document | <p>30/06/2020</p> | <p>Juju</p> | <p>Strategic</p> | <p>Strategic</p> |

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| | | | | | | | |
|---|---|---|--|---------------------------|------|-----------|-----------|
| This result in a limitation of scope in testing the accuracy and validity of information reported in the APR. This will be reported in the management and audit report. | Management should ensure that reported information is supported by complete and valid documentation. As part of the review procedures, information presented in the APR should be agreed to supporting documents to ensure accuracy. | 1. Prepare POE's for all reported information on a monthly basis 2. Review the POE's for completeness, accuracy and validity on a monthly basis 3. Submit performance information to Internal Audit for review on a monthly basis | POE file with correct and complete and valid information | On- going (30/06/2020) | Juju | Strategic | Strategic |
|---|---|---|--|---------------------------|------|-----------|-----------|

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| <p>Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information.</p> <p>Item 1 and 2: Property Rates Revenue</p> <p>The non-submission of information will result in an inability to audit the property rates revenue amount presented in the annual financial statements and subsequently a scope limitation. If this information is not provided it will be regarded as a limitation on the audit which could result in a modification of the audit opinion.</p> | <p>Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit.</p> <p>Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information.</p> <p>Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission.</p> | <p>1. Prepare/ extract billing reports and schedules on a monthly basis, that support transaction on the GL</p> <p>2. Prepare subledger vs General Ledger monthly reconciliations</p> | <p>1. Billing reports</p> <p>2. GI vs subledger reconciliations</p> | <p>On- going (30/06/2020)</p> | <p>Fikeni</p> | <p>BTO</p> | <p>Revenue</p> |
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| Impact of the above is as follow: 1 Commitments disclosure note is understated by a factual misstatement amounting to R3 274 296.63. 2 Commitments disclosure note is understated by a projected misstatement amounting to R2 160 033.14 | Management should ensure that all pertinent documents i.e. contracts, variation orders and payment certificates are made available to the relevant official compiling commitments register. Negative commitments should be corrected as they distort the true value of the commitments | 1. Review of the Commitments register, specifically to confirm if the formula for calculating commitments is correct, on a monthly basis 2. As part of the review, verify the inputs against supporting documentation 3. Adjust the commitments register and the disclosure note | 1. Corrected commitments register 2. Restated disclosure Note | On- going (30/06/2020) | Simayile | BTO | SCm and assets |
| Contingent liabilities are understated by a factual misstatement amounting to R100 000. | As part of the review process, management, internal audit and audit committee should ensure that the underlying schedules agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit. | 1. Send out Legal confirmations to all legal representatives of the municipality 2. As part of AFS review, agree all cases disclosed against legal confirmations for completeness and accuracy | 1. Legal confirmations 2. Restated disclosure note | 30/05/2020 | Dumalisile | Corporate Services | Corporate Services |
| Contingent liabilities are understated by a factual misstatement amounting to R200 000 | As part of the review process, management, internal audit and audit committee should ensure that the underlying schedules agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit. | 1. Send out Legal confirmations to all legal representatives of the municipality 2. As part of AFS review, agree all cases disclosed against legal confirmations for completeness and accuracy | 1. Legal confirmations 2. Restated disclosure note | 30/05/2020 | Dumalisile | Corporate Services | Corporate Services |
| This will lead to a limitation of scope in the audit of contingent liabilities as we are unable to confirm the existence and valuation of the contingent liability disclosed. Factual limitation misstatement is R39 764. | Management should ensure that suppliers are paid on time or that a payment arrangement is made with the suppliers to ensure that the municipality maintains a good working relationship with its service providers. | Prepare a budget that's in line with the expected collection rate with cost containment as major consideration Develop and implement cash flow management strategies with creditor payment plans as part of the strategies Implement revenue enhancement plans Regularly review cash flow requirements and adjust cash low projections and | 1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.) | On- going (30/06/2020) | All sections | MM's office | MM's office |

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| | | procurement plans where necessary | | | | | |
| Security of the municipal information might be compromised | Management should prioritize the development of the processes which will ensure that confidentiality of the information is maintained and integrity of information is protected | 1. Implementation of the Patch Management policy that has been approved by council for the 2019/20 financial year. | Audit trail | On- going (30/06/2020) | Ludidi | bto | I.T |

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| Non-submission of requested information is a limitation of scope on the audit. The inefficiencies caused by non-submission of requested information may result in additional audit fees; in addition, the planned time lines may not be achieved due to the non-submission of requested information. | Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial and performance reporting is easily retrieved and submitted to the auditors before or on the due date of the request for information. Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission. | Implementation of a proper records management system | Minutes and attendance registers of committees | On- going (30/06/2020) | All sections | MM's office | MM's office |
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| This could lead to policies in word documents being altered without any appropriate approval. The administrative internal control deficiency should be addressed by management. | Management should ensure that all policies, framework, code of conduct, strategies and plans are signed by a designated official as evidence of approval of the final version of the policy. | After policies are approved by council, the delegated official to sign all policies | Approved policies signed by a delegated official | 30/06/2020 | Douglas | Corporate Services | Records and administration |
| This will result in non-compliance with the Municipal Regulations on financial misconduct procedures and criminal proceedings. | Management should ensure that laws and regulations applicable to the municipality are complied with. | 1. Development of the Disciplinary Board's terms of reference 2. Appointment of a Disciplinary Board | 1. Terms of reference 2. Appointment letters | 30/06/2020 | Dumalisile | Corporate Services | Corporate Services |
| There is a risk of completeness of unauthorized expenditure disclosure note. | Management should review the budget versus actual expenditure on a continuous basis e.g. monthly to ensure that expenditure is properly managed and thus any difficulties with the system would also be identified on time to ensure that mitigating measures are put in place, for example, formulating an excel spreadsheet as a tool for monitoring spending. | 1. Process all transactions for the FY 2018/19 2. Prepare a budget vs actual report for the year 3. Restate the disclosure note | 1. G.L with all transactions for FY 2018/19 2. Budget vs Actual report (unauthorized expenditure workings) 3. Restated disclosure note | 30/06/2020 | Nomaphelo | BTO | Budget and reporting |
| This results in internal control deficiency. Risks affecting the municipality might not be identified and mitigated timeously and this might lead to annual financial statements being misstated. | Management should ensure that laws and regulations applicable to the municipality are complied with. A fraud prevention plan should be developed and tabled to council for adoption. | 1. Develop a fraud prevention plan 2. Plan submitted to council for approval 3. Workshops conducted for employees to raise awareness about the plan frequently (quarterly) | 1. Fraud prevention plan 2. Council minutes where the plan was submitted 3. Attendance registers for workshops conducted | 30/06/2020 | MM | MM's office | MM' office |
| Leave balances at year end may not be accurate and this might result in leave accrual being misstated | It is recommended that a thorough reconciliation of the leave book to the attendance register be performed on a continuous basis. Any differences should be investigated and corrected in a timely manner. Independent checks of leave captured on system should be done and reconciled to manual leave forms to ensure that leave is captured correctly and to the correct leave type. | 1. Perform a reconciliation between the leave book and the attendance register (monthly basis) 2. Identify and correct any differences noted (monthly) 3. Request Internal Audit to perform a leave audit at year end (100% test) | 1. Reconciliation between leave book and attendance register 2. Internal Audit report on leave audit | 30/06/2020 | Dumalisile | Corporate Services | Corporate Services |

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| This results in limitation of scope. | Monthly payroll reconciliations between the payroll system and the accounting system should be performed and reviewed to ensure accuracy and completeness of amounts reported upon in the annual financial statements. | 1. Perform monthly reconciliations between payroll system and the GL (monthly basis) | Payroll reconciliations | 30/05/2020 | Sontshaka | BTO | Expenditure |
| This is an administrative internal control deficiency which should be addressed by management. | It is recommended that controls that will improve accuracy of the data input captured onto the system be implemented. | 1. Review Supplier information on the Sebata System for accuracy and completeness on a monthly basis (before payment is processed for the supplier) | Supplier Database | Ongoing | Simayile | BTO | SCm and assets |
| There is a risk that errors relating to creditors might not be detected and corrected timeously and this might result in payables balance being misstated. | Management should prepare reconciliation of trade payables on monthly basis. | 1. Perform monthly reconciliations between Creditor's ageing and supplier statements 2. Perform monthly reconciliations between Creditor's ageing and General Ledger | Creditors reconciliations | 30/05/2020 | Sontshaka | BTO | Expenditure |
| The above result to an internal control deficiency. 1. The non-performance of external assessment constitutes non-adherence to the requirements of IIA standards. 2. Deficient internal controls and risks affecting the municipality may not be identified and dealt with in a timely manner. This may result in misstatements in the municipality's financial and performance reports. | 1 Internal audit should implement proper record keeping in a timely manner to ensure that relevant information is readily accessible. 2 Management should ensure that adequate support is made available to allow internal audit to perform all its planned audits. | 1. Going forward the section will ensure that Quality Assurance Reviews are conducted however this review will be conducted in three year time as the files and documents for the last three year cannot be retrieved. 2. The 2019 internal audit plan cannot be implemented retrospectively, therefore, the 2020 internal audit plan will be implemented throughout the year. 3 Proper records keeping system will be implemented throughout the year | 1. Report on quality assurance of the internal audit 2. Internal audit reports issued in the current financial year 3. Internal audit files, working papers, correspondence tc | on-going (30/06/2022) | Sonjica | MM's office | Internal audit |
| Cash and cash equivalents and revenue may be misstated as errors might not be identified and corrected on time. | Management should ensure that adequate controls over cash receipts are implemented throughout the financial period | 1. Perform bank reconciliations for each bank account (on a monthly basis) 2. Investigate differences identified and correct where necessary | Monthly Bank reconciliations | 30/05/2020 | Sontshaka | BTO | Expenditure |

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| This is an administrative internal control deficiency. | Internal audit should ensure that final approved charters are submitted to the audit committee chairperson for signature. | 1. Submission of all charters to audit committee chairperson for signature | Internal audit charters signed by the chairperson of the Audit Committee | 30/05/2020 | Sonjica | MM's office | Internal audit |
| This may result in misappropriation of municipal cash resources thereby resulting in understatement of revenue. | Management should ensure that adequate controls over cash receipts are implemented throughout the financial period. | Assign the receipt, recording and banking of monies to three different officials | 1. System privileges 2. Bank deposit slips | on-going (30/06/2020) | Fikeni | BTO | Revenue |
| This may result in revenue from property rates being understated due to new properties and any property improvements not being taken into account in the billing. | Management should formulate strategic solutions to resolve the financial constraints encountered by the municipality. The municipality should ensure that a supplementary valuation roll is performed at least annually as required by section 77 of the Municipal Property Rates Act so as to ensure the accuracy of the annual financial statements. | 1. Development of a financial recovery plan 2. Monitoring of the implementation of the recovery plan 3. Implementation of a supplementary valuation roll | 1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.) 3. Supplementary valuation rolls on the Sebata billing module | on-going (30/06/2020) | Fikeni | BTO | Revenue |
| Unspent conditional grants liability may be misstated. | Management should ensure that there is adequate review of the reconciliations and AFS by a senior official. | 1. Perform reconciliation of AFS to supporting schedules | 1. Afs leads agreed to TB/GL and supporting documentation | on-going (30/06/2020) | Nomaphelo | BTO | Budget and reporting |
| Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information. The non-submission of information will result in a control deficiency. | Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. | 1. Submit the fraud risk assessment representation letter | 1. Fraud risk representation letter | 30/05/2020 | Sonjica | MM's office | Internal audit |
| Amounts may not be correctly allocated resulting in cash and cash equivalents being misstated. | Management should ensure that unresolved differences noted in the bank reconciliation performed are investigated and resolved timeously. | 1. Thorough review of Bank reconciliations to ensure all differences are followed up and resolved | 1. Reviewed bank reconciliations with no unresolved differences | 30/05/2020 | Sontshaka | BTO | Expenditure |

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| Annual financial statements are not complete. | Management should compile a schedule of calculations of distribution losses in excel format on a monthly basis. This calculation should be reviewed and signed as evidence thereof by a senior official. A manual file of these monthly schedules should be maintained to ensure that the risk of loss of data is mitigated. | 1. Calculate distribution losses on a monthly basis 2. Revenue manager to review the 3. Update disclosure note on AFS | 1. Distribution loss calculation reviewed by revenue manager 2. AFS disclosure note | 30/05/2020 | Fikeni | BTO | Revenue |
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| This will result in non-compliance with s166 of the MFMA. | It remains critical that leadership recognise the audit committee as a key partner in the accountability chain, and to capacitate the Audit Committee to ensure that the Committee can fulfil its mandate effectively. | 1. The Audit Committee has been capacitated by appointing a new member, increasing the number of members to 3. | 1. Number of audit committee members (appointment letters, meeting attendance registers) 2.Minutes of the Audit Committee 3.Minutes of the Council Meetings | 30/05/2020 | Sonjica | MM's office | Internal audit |
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| This constitutes non-compliance with the Disciplinary Regulations for Senior Managers. | Management should ensure that applicable laws and regulations are complied with. | 1. Submit proof of notification of the MEC | 1. Correspondence with the MEC | 30/05/2020 | MM | MM's office | MM' office |
| Limitation of scope in testing the requirements of the legislation which can result to a material noncompliance. a) Non-compliance with MSA 29(1)(b)(ii) and 34(b). b) Non-compliance with section 25(4)(b) of the Municipal Systems Act 32 of 2000 (MSA) c) Non-compliance with MFMA | (a) & (c) Minutes and attendance registers of the representation forum should be prepared and kept in a safe place for all meetings or events held. b) Management should publicize a summary of the final adopted IDP on a public platform such as a newspaper. d) Management should prepare an actual vs budget at least on a monthly basis. | Provision of the following documents: a) Minutes and attendance register of the representation forum for 2018/19 IDP review. b) Evidence that summaries of the plan were publicized. c) Minutes and attendance register of the representation forum in the proposed budgeting process for 2018/19. d) Monthly reports for actual vs budget which indicate budget monitoring measures and processes implemented. | a) Minutes and attendance register of the representation forum for 2018/19 IDP review. b) Evidence that summaries of the plan were publicized. c) Minutes and attendance register of the representation forum in the proposed budgeting process for 2018/19. d) Monthly reports for actual vs budget which indicate budget monitoring measures and processes implemented. | 30/05/2020 | juju | Strategic | Strategic |
| Non-compliance with the Municipal budget and reporting regulations 18(1) and (2). | The approved annual budget should be published on the municipal website as well as the relevant local newspaper to ensure compliance with the requirements of the Municipal Budget and Reporting Regulations. | Provide proof that the budget was published on the municipal website | Audit trail | 30/05/2020 | Nomaphelo | BTO | Budget and reporting |
| This results in non-compliance with section 32(4) of the MFMA. | Management should inform, in writing, the MEC for local government and the Auditor General of any fruitless and wasteful expenditure incurred by the municipality. The reporting should be done whether or not the expenditure is written off. | 1. A.G. and MEC for local government to be informed of Fruitless and wasteful expenditure incurred by the municipality | Correspondence to A.G and MEC | 30/05/2020 | Sontshaka | BTO | Expenditure |

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| Fruitless and wasteful expenditure is understated by a factual misstatement amounting to R52509.26 | Management should ensure that all fruitless and wasteful expenditure is disclosed. Management should consider adjusting the annual financial statements. | AFS were adjusted for this error | Adjusted AFS F&W register | 30/05/2020 | Sontshaka | BTO | Expenditure |
| FWE disclosed in the annual financial statements is overstated by a factual misstatement amounting to R37 205.65. | Annual financial statements should be reviewed and reconciled to underlying schedules prior to submission. Management should consider adjusting the annual financial statements with the factual misstatement. | AFS were adjusted for this error | Adjusted AFS F&W register | 30/05/2020 | Sontshaka | BTO | Expenditure |
| Fruitless and wasteful expenditure disclosure note in the annual financial statements is understated by a projected misstatement amounting to R787 236.18. | Management should perform a thorough review of the register for completeness. The supporting documentation (statements, invoices etc.) should be submitted, together with the register, to the reviewer. Any omissions should be corrected in a timely manner before any disclosures are made in the AFS. | 1. Perform a thorough review of Fruitless and Wasteful expenditure register on a monthly basis, agreeing movements to supporting documentation 2. Correct the F& W register and restate the disclosure Note | 1. Adjusted F& W register 2. Adjusted AFS disclosure note | 30/05/2020 | Sontshaka | BTO | Expenditure |
| 1. Irregular expenditure is understated by a factual misstatement amounting to R1733.45. 2. Irregular expenditure disclosure is not complete | As part of the review process, management, internal audit and audit committee should ensure that reported information agrees to the underlying supporting documents. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit. | 1. Perform a thorough review of Irregular expenditure register on a monthly basis, agreeing movements to supporting documentation 2. Correct the Irregular expenditure register and restate the disclosure Note | 1. Adjusted Irregular expenditure register 2. Adjusted AFS disclosure note | 30/05/2020 | Simayile | BTO | SCm and assets |

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| The non-submission of information will result in an inability to audit the indigent debtors and subsequently a scope limitation. If this information is not provided it will be regarded as a limitation on the audit and it will be reported in the management report. | Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information. | Submitt indigent register 2018/19 | Indigent register 2018/19 | 30/06/2020 | Fikeni | BTO | Revenue |
| Ward committees were not operational throughout the financial period, in addition ward committees were not established for all the wards in the municipality. This is a focus area for 2018/19, thus finding will be reported in management report | It is recommended that council ensure that ward committee members are capacitated and fully functional and effective throughout the year. | 1. Capacitation of ward committee members through trainings/workshops 2. Ward committee report's submission to be monitored by council support | 1. Training attendance registers 2. Ward committee reports and correspondence | On- going (30/06/2020) | Mr Xotyeni | Corporate Services | Records and administration |
| This is a control deficiency which will be reported in the management report only. | Management should ensure that during the development of the audit action plan all findings raised in the prior year audit are included in the plan; and a detailed action to address the findings should be documented. | 1. Development of an audit action plan with all findings | 1. Audit action plan | 31/01/2020 | All sections | MM's office | MM's office |
| This is a control deficiency as the roads maintenance plan need further detail of the roads to be prioritized. The control deficiency will be reported in the management report only. | Management should ensure that the Roads Maintenance Plan includes details of roads prioritized in each ward and that the priority list reconciles with the RMP. | 1. An expansion of the prioritization list by including details of the specific roads that are prioritized in addition to the ward information | 1. A detailed prioritization list | 30/05/2020 | mapasa | Community and technical services | Technical services |

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| The above result in internal control deficiency. | <p>Management should ensure that contracts for services that relate to continued needs of the municipality include a clause for transfer of skills to employees to enable employees to perform the functions upon the termination of consultant's services.</p> <p>Management should ensure that contracts are thoroughly reviewed to ensure that, where applicable, the terms and conditions as stipulated in the GCC are considered and applied.</p> | <p>1. Request a skills transfer plan from Sebata</p> <p>2. Implementation of the skills transfer plan and its monitoring</p> | <p>1. Sebata skills transfer plan</p> <p>2. Attendance registers of trainings held and other evidence of skills transfer (in the case of hand holding, signed weekly reports of consultants detailing the skills transferred)</p> | On- going (30/06/2020) | Simayile | BTO | SCm and assets |
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| This is an internal control deficiency which will be reported in the management report. | Municipal council should ensure that ward committee members are capacitated to enable the committee to be fully functional and effective in performing its assigned duties. The committee should ensure that a list of basic concerns identified through engagements with communities is compiled which should be taken into account when developing ward level improvement plans in order for the municipality to adequately address the basic concerns of the communities it serves. | 1. Capacitation of ward committee members through trainings/workshops 2. Lists of basic concerns to be submitted by ward committees through their reports | 1. attendance registers 2. ward committee member's reports | On- going (30/06/2020) | Douglas | Corporate Services | Corporate Services |
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| The annual financial statements are not fairly presented in accordance with requirements of GRAP1. | A detailed review should be performed on the AFS by management, internal audit and the audit committee before the AFS are submitted to the Auditor General for audit. The review will enable the assurance providers to identify any errors and/or omissions on the financial statements which should be corrected timeously. AFS should be adjusted to ensure fair presentation. | AFS were adjusted for this error | Adjusted AFS | 30/05/2020 | Nomaphelo | BTO | Budget and reporting |
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| Annual financial statements are not fairly presented as required by GRAP 1. | Management should ensure that the prior period errors are properly accounted for in the annual financial statements. AG will make a follow up of any corrections during the quarterly reviews to ensure that comparatives are correctly adjusted. | 1. Include all uncorrected misstatements from the prior year as part prior year restatements | 1. Restated AFS 2. Restatement files | 30/05/2020 | Nomaphelo | BTO | Budget and reporting |
| Indicators and targets per the APR are not consistent with indicators and targets per the approved annual planning document (SDBIP), as a result performance information is not useful. This will be reported in the management report and audit report. | Responsible heads of the various directorates should ensure that accurate and complete reports are submitted to the PMU section on time to allow adequate review of information submitted by the section. Any errors identified through the review process should be attended to and corrected before submission of the APR to the Auditor General for audit. | Ensure that the following on the APR are agreed to the final SDBIP: 1. Indicators and targets | Adjusted APR | 30/05/2020 | Juju | Strategic | Strategic |
| Reported achievement is not consistent with reported indicator per the APR, as a result performance information is not useful. This will be reported in the management report and audit report. | Responsible heads of the various directorates should ensure that accurate and complete reports are submitted to the PMU section on time to allow adequate review of information submitted by the section. Any errors identified through the review process should be attended to and corrected before submission of the APR to the Auditor General for audit. | Adjust APR to ensure that reported achievement is consistent with reported indicator | Adjusted APR | 30/05/2020 | Juju | Strategic | Strategic |
| Information reported in the APR is not accurate as the actual performance is understated by 2km. The misstatement is material and if APR is not adjusted it will be reported in the audit report. | Management should ensure that the kms reported in the APR agree with the kms reflected in the signed completion certificate. As part of the review procedures, information presented in the APR should be agreed to supporting documents to ensure accuracy. | Adjust APR to reflect the kms on the signed completion certificate | Adjusted APR | 30/05/2020 | Juju | Strategic | Strategic |

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| <p>This amounts to limitation of scope on the audit and will be reported in the management and audit report.</p> | <p>Management should ensure that documentation in support of the information disclosed in the APR is maintained and easily retrieved to support audit trail. Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial and performance reporting is easily retrieved and submitted to the auditors.</p> | <p>1. Submission of supporting documentation for the corrective measure</p> | <p>POE</p> | <p>30/05/2020</p> | <p>Juju</p> | <p>Strategic</p> | <p>Strategic</p> |
| <p>Non-compliance with requirements of SCM Regulations which result in irregular expenditure. The municipality did not incur any expenditure in respect of the above awards during 2018/19, therefore, there is no irregular expenditure to be disclosed in the current year. However, future expenditure on the contract will be deemed irregular and should be disclosed as such.</p> | <p>Management should ensure that applicable laws and regulations are complied with.</p> | <p>Submit the following evidence 1. There is no evidence that the municipality obtained the following documents prior making the awards to Sizanane Consulting: · Confirmation that the service provider's tax matters were declared to be in order by SARS. · Declaration of interest completed and signed by the service provider. · Demonstration of the benefits and discounts of participating in the contract. · That Sizanane Consulting consented to the procurement in writing.</p> | <p>1. evidence that the municipality obtained the following documents prior making the awards to Sizanane Consulting: · Confirmation that the service provider's tax matters were declared to be in order by SARS. · Declaration of interest completed and signed by the service provider. · Demonstration of the benefits and discounts of participating in the contract. · That Sizanane Consulting consented to the procurement in writing.</p> | <p>30/05/2020</p> | <p>Simayile</p> | <p>BTO</p> | <p>SCM and assets</p> |

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| This is non-compliance with Supply Chain Management regulation 45 and annual financial statements are not complete as the required disclosure is not made. | Management should ensure that awards made to a supplier who is a spouse, child or parent of a person in the service of the state are disclosed in the notes to the annual financial statements. A register of suppliers who have are spouses, children or parents of a person in service of the state as noted during the bid evaluation and adjudication should be maintained. This register should be reviewed by the Finance Department during the AFS preparation period to ensure that the necessary disclosures are made. | AFS were adjusted for this error | Adjusted AFS | 30/05/2020 | Simayile | BTO | SCm and assets |
| Financial statements are not complete as the required disclosures are not made. | Management should ensure that annual financial statements are prepared on time to enable the reviewers of AFS to perform a thorough review that will identify errors and omissions. Any information omitted should be corrected timeously. | AFS were adjusted for this error | Adjusted AFS | 30/05/2020 | Simayile | BTO | SCm and assets |
| This is a control deficiency which needs to be addressed. There is a risk that any reporting in the annual performance report in respect of targets relating to indigents is not accurate as the number included in the indigent register is overstated. | Management should have processes in place to ensure that the indigent register is accurate, these include a thorough review of the register. Should any duplicates be identified they should be corrected in a timely manner to mitigate the risk of reporting inaccurate information. | Indigent Co-ordinator to check the government website for indigent applicants whether they are registered | Indigent register 2018/19 | 30/06/2020 | Fikeni | BTO | Revenue |
| | | 1. Reconciliation between RMP and fixed asset register 2. Employment of in-house engineers responsible for infrastructure projects | 1. Reconciliation between RMP and FAR 2. Appointment letter of PMU manager | 30/05/2020 | Simayile | BTO | SCm and assets |

T 6.2.3

Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

The municipality is satisfied with the audit results as they reflect the efforts that have been put towards the administration of the municipality. This is a huge achievement for the Great Kei municipality and community but is not the final destination. The municipality still aims at improving its administration and attain a clean audit providing service delivery that is of quality and adds value to the lives of the Great Kei Community. The municipality has noted Auditor General's comments on the financial health of its position and commits to work tirelessly to turn the situation to better.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

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| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”. |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General performance indicators | Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings. |

GLOSSARY

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|--|--|
| Integrated Development Plan (IDP) | Set out municipal goals and development plans. |
| National Key performance areas | <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| Performance Indicator | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered) |
| Performance Information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance Standards: | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| Performance Targets: | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |

GLOSSARY

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|---|-----------------|--|
| Service Budget Implementation Plan | Delivery | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote: | | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p> |

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councilors, Committees and Council Attendance | | | | | |
|---|-----------------------|---|---------------------------------|--|--|
| Council Members | Full Time / Part Time | Committee Allocated | Ward and / Party Representative | Percentage of Council Meeting Attendance | Percentage of apologies for non-attendance |
| N.W. TEKILE | FT | Rules & Oversight Committee | ANC | 100% | 0% |
| L.MTHLONTLO | PT | Corporate Services Committee | ANC | 100% | 0% |
| N.DYANI | PT | Good Governance &Public Participation | ANC | 100% | 0% |
| Z. NZUZO | PT | Local Economic Development | INDEPENDENT | 100% | 0% |
| L. PLIKA | PT | Service Delivery & Infrastructure Development | ANC | 100% | 0% |
| N. KHANTSHASHE-TILDINI | PT | Financial Viability & Sustainability | ANC | 100% | 0% |
| | | | | | |

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral / Executive Committee) and purposes of Committee | |
|--|---|
| Municipal Committee | Purpose of the Committee |
| Rules & Oversight Committee | Manage the drafting of the council rules and oversee the process of implementation thereof; |
| Corporate Services Committee | To look in matter of institutional welfare and provide advice on staff, council support issues |
| Good Governance &Public Participation | To holistically ensure matters affecting previously disadvantaged groups of people are attended to and encourages community participation in municipal businesses |
| Local Economic Development | Encourages local business support and tourism development with the Municipal jurisdiction |
| Service Delivery & Infrastructure Development | Oversee the delivery of services through infrastructural projects and initiation |

APPENDICES

| | |
|--------------------------------------|--|
| Financial Viability & Sustainability | Oversee the financial viability of the institution and ensuring that the Municipality is liquid financially |
| Municipal Public Accounts Committee | |
| Audit Committee | Provides Oversight on municipality's financial performance working with the institution's administration and making recommendations to council |
| Risk Management Committee | Assess and analyze institutional threats and provides mitigating measure thereof |

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---------------------------------------|---|
| Office: Municipal Manager | Mr Lawrence N. Mambila |
| | Mr. A. Xotyeni [Manager Office of the Mayor] |
| Directorate | Director / Manager (Title and Name) |
| | |
| Strategic Services | Mr. Mtalo Mzimasi: Director [On Precautionary Suspension] |
| | Mr. L. Juju : IDP / PMS Manager |
| | Mr. L. Mkonjiswa Manger LED (Acting) |
| | |
| Corporate Services Directorate | Mrs. Nokubulela Mpontshane: Acting Director |
| | Mr. B.T Douglas : Admin & Council Support Manager |
| | Ms. P Dumalisile: Human Resources Manager |
| | |
| Community Services | MS Olwethu Kwababana: Director |
| | Mr. R Mnkile: Solid Waste Manager |
| | Mr. V. Makhwayiba Manager Traffic Services |
| | |
| Technical Services | Mr. M. Mapasa : Manager Infrastructure |
| | Ms. K. Mkhabile : Manager PMU |
| | Mr. S. Sicwebu : Town Planner |
| | |
| Budget and Treasury Office | Ms Nomaphelo Sana: Acting CFO |
| | Ms. T. Sikolo Manager Budget & Treasury [Employment Contract expired] |
| | Ms. Y. Simayile Supply Chain & Asset Manager |
| | Ms. T. Sontshaka Expenditure & Payroll Manager |
| | Ms. N. Sana Manager Budget & Reporting |
| | Ms. F. Fikeni Revenue & Debt Manager |
| | Mr. S. Gajana IT Manager (Acting) [Resigned] |
| | Mr. P. Ludidi IT Manager [Acting] |

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air pollution | No | No |
| Building regulations | Yes | No |
| Child care facilities | Yes | No |
| Electricity and gas reticulation | Yes | No |
| Firefighting services | No | No |
| Local tourism | Yes | No |
| Municipal airports | No | No |
| Municipal planning | Yes | No |
| Municipal health services | No | No |
| Municipal public transport | No | No |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | No | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No | No |
| Storm water management systems in built-up areas | Yes | No |

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| | | |
|--|-----|----|
| Trading regulations | Yes | No |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | No | No |
| Beaches and amusement facilities | Yes | No |
| Billboards and the display of advertisements in public places | Yes | No |
| Cemeteries, funeral parlours and crematoria | Ye | No |
| Cleansing | No | No |
| Control of public nuisances | Yes | No |
| Control of undertakings that sell liquor to the public | No | No |
| Facilities for the accommodation, care and burial of animals | Yes | No |
| Fencing and fences | Yes | No |
| Licensing of dogs | Yes | No |
| Licensing and control of undertakings that sell food to the public | Yes | No |
| Local amenities | Yes | No |
| Local sport facilities | Yes | No |
| Markets | Yes | No |
| Municipal abattoirs | No | No |
| Municipal parks and recreation | Yes | No |
| Municipal roads | Yes | No |
| Noise pollution | No | No |
| Pounds | Yes | No |
| Public places | Yes | No |
| Refuse removal, refuse dumps and solid waste disposal | Yes | No |
| Street trading | Yes | No |

APPENDICES

| | | |
|---|-----|------------|
| Street lighting | Yes | No |
| Traffic and parking | Yes | No |
| <i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i> | | <i>T D</i> |

APPENDIX E – WARD REPORTING

Functionality of Great Municipal Ward Committees

| Ward Number | Name of ward Councilor | Committee established Yes/No | Number of monthly ward committee meetings | Number of submission reports | Number of quarterly public meetings |
|-------------|----------------------------------|------------------------------|---|------------------------------|-------------------------------------|
| 1 | Cllr. Beverly Wood | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 2 | Cllr. Zolani Nzuzo | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 3 | Cllr. Lwandisa Mhlontlo | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 4 | Cllr. Mzamo Njekanye | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 5 | Cllr. Ndileka Kantshashe-Tildini | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 6 | Cllr. Weaver Sinqana | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| 7 | Cllr. Zola Tshali | Yes | 1 monthly meetings | 12 monthly reports | 4 Quarterly meetings |
| | | | | | <i>TE</i> |

APPENDICES

APPENDIX F – WARD INFORMATION

| Basic Service Provision | | | | | |
|---|-------|------------|-------------|--------|---------|
| Detail | Water | Sanitation | Electricity | Refuse | Housing |
| Households with minimum service delivery | | | | | |
| Households without minimum service delivery | | | | | |
| Total Households* | | | | | |
| Houses completed in year | | | | | |
| Shortfall in Housing units | | | | | |
| *Including informal settlements | | | | | T F.2 |

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)
Refer to *TE*

TF.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

| Municipal Audit Committee Recommendations | | |
|---|--|--------------------------------|
| Date of Committee | Committee recommendations during 2017/18 FY | Recommendations adopted Yes/No |
| 06 March 2018 | <ul style="list-style-type: none"> Mr Daka requested that the time frames set for the review of the charters be submitted to the Audit Committee. | Yes |
| | <ul style="list-style-type: none"> Internal Audit to report on positive findings as well lifting the risk levels Consider establishing training center for EPWP workers to build skills for the future Management must look into the HR issues raised. | Yes |
| | <ul style="list-style-type: none"> Detailed reasons for the variances must be reflected on the report | Yes |
| | <ul style="list-style-type: none"> Present a concrete plan on settling the third party payments owing | |
| | <ul style="list-style-type: none"> Management must put correct timeframes in the Audit action plan and classify actions according to the ability of the municipality e.g. Short term, medium term or long-term. | Yes |
| | Identify other revenue sources and develop a Revenue enhancement strategy <ul style="list-style-type: none"> Correct the terminology of used as the debt recovery strategy is not revenue enhancement. Debtors not paying must be taken to court and their properties must be sold to recoup Follow up on debtors before they become irrecoverable | Yes |
| | <ul style="list-style-type: none"> Management to present a plan on the MSCOA implementation | Yes |
| | | |

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDICES

For more detail refer to attached AFS

5. PERFORMANCE OF CAPITAL PROJECTS

| Grant (Source of Funding) | Project Name | 2018/19 Approved Budget | Budget spending | Achieved /not achieved | Reason for variance | Corrective measure |
|---|---|----------------------------|-----------------|--|---|---|
| Municipal Infrastructure Grant (MIG) | Construction and upgrading of Icwili internal streets | 2 665 100,00 | | Achieved | None | None |
| | Construction of Nyarha internal roads (Taiwan internal Streets / Roads) | 1 888 375.00 | | Achieved | None | None |
| | Construction of Tainton Internal streets | 1 888 375.00 | | Achieved | None | None |
| | Construction of Mzwini community hall | 2 400 000,00 | | Achieved | None | None |
| | Feasibility study of Komga Agri-park | 1 000 000,00 | | Final Agri-Park business plan approved by council. | None | None |
| | Closure of landfill site | 1 000 000,00 | | Partially Achieved | Awaiting final closure report from appointed consultant | Project funding to be rolled over in the 19/20 FY |
| | | | | | | |
| | PMU admin cost | 581 500.00 | | Ongoing, salaries are paid monthly. | | |

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Refer to AFS

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Refer to AFS

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote | | | | | | |
|---|----------------|-----------------|-----------------|----------------|-----------------|--------------------|
| | | | | | | R' 000 |
| Vote Description | Year -1 | Current: Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Municipal Council | 104 | | 65 | 331 | #DIV/0! | 509% |
| Financial Management | 73 046 | 91 694 | 82 926 | 71 309 | 78% | 86% |
| Human Resources | 72 | 100 | 100 | 12 | 12% | 12% |
| Admin & Community Services | 0 | 0 | 0 | 0 | 0% | 0% |
| Refuse | 9 260 | 5 656 | 9 952 | 9 886 | 175% | 99% |
| Caravan Park | 0 | 0 | 0 | 0 | 0% | 0% |
| Cemeteries | 0 | 0 | 0 | 0 | 0% | 0% |
| Libraries | 0 | 0 | 0 | 0 | 0% | 0% |
| Amenities | 616 | 808 | 808 | 724 | 90% | 90% |
| Traffic | 1 517 | 1 691 | 1 591 | 1 140 | 67% | 72% |
| Roads | 13 023 | 12 634 | 12 634 | 12 632 | 100% | 100% |
| Town Planning | 159 | 600 | 100 | 203 | 34% | 203% |
| Electricity | 10 672 | 11 575 | 11 501 | 10 660 | 92% | 93% |
| IDP & LED | 23 | 0 | 0 | 8 | 0% | 0% |
| Total Revenue by Vote | 108 492 | 124 758 | 119 677 | 106 905 | 1 | 1 |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i> | | | | | | |
| | | | | | | T K.1 |

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|---|---------|-----------------|--------------------|--------|-----------------|--------------------|
| R '000 | | | | | | |
| Description | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 22 787 | 17 000 | 24 516 | 21 583 | 21% | -14% |
| Property rates - penalties & collection charges | 47 | – | – | – | 0% | 0% |
| Service Charges - electricity revenue | 6 381 | 7 575 | 7 501 | 6 945 | -9% | -8% |
| Service Charges - water revenue | – | – | – | – | 0% | 0% |
| Service Charges - sanitation revenue | – | – | – | – | 0% | 0% |
| Service Charges - refuse revenue | 9 258 | 5 656 | 9 952 | 9 886 | 43% | -1% |
| Service Charges - other | – | – | – | – | 0% | 0% |
| Rentals of facilities and equipment | 287 | 250 | 315 | 529 | 53% | 40% |
| Interest earned - external investments | 319 | 518 | 214 | 111 | -367% | -93% |
| Interest earned - outstanding debtors | 6 304 | 5 814 | 6 917 | 5 286 | -10% | -31% |
| Dividends received | – | – | – | – | 0% | 0% |
| Fines | 105 | 3 | 3 | 19 | 86% | 86% |
| Licenses and permits | 1 412 | 1 488 | 1 488 | 1 122 | -33% | -33% |
| Agency services | – | 200 | 0 | – | 0% | 0% |
| Transfers recognized - operational | 44 804 | 39 036 | 38 966 | 44 478 | 12% | 12% |
| Other revenue | 808 | 31 635 | 14 121 | 958 | -3202% | -1374% |
| Gains on disposal of PPE | | 212 | 212 | 1 284 | 0% | 0% |
| Environmental Protection | – | – | – | – | 0% | 0% |
| Total Revenue (excluding capital transfers and contributions) | 92 511 | 109 387 | 104 206 | 92 199 | -18.64% | -13.02% |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. | | | | | | T K.2 |

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: excluding MIG | | | | | | R' 000 |
|---|----------------|-----------------------|----------------|-----------|-----------------------|--|
| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjustments Budget | |
| Neighbourhood Development Partnership Grant | 0 | 0 | 0 | 0% | 0% | |
| | | | | | | |
| | | | | | | |
| Public Transport Infrastructure and Systems Grant | 930000 | 930000 | 930000 | 0% | 0% | |
| <i>Municipal Sysytems Improvement Grant</i> | 930000 | 930000 | 930000 | 0% | 0% | |
| | | | | | | |
| | | | | | | |
| <i>Other Specify:</i> | 3875000 | 3875000 | 3870368 | 0% | 0% | |
| <i>Finance Management Grant</i> | 1875000 | 1875000 | 1875000 | 0% | 0% | |
| <i>Extendend Public Work Programme Gant</i> | 1000000 | 1000000 | 1000000 | 0% | 0% | |
| <i>Intergrated Electrification Grant</i> | 1000000 | 1000000 | 995368 | 0% | 0% | |
| Total | 4805000 | 4805000 | 4800368 | 0% | 0% | |
| * This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government. | | | | | | TL |

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Refer to annual financial statements.

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APPENDICES

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital Expenditure - New Assets Program* | | | | | | | |
|---|---------|-----------------|-------------------|--------------------|-----------------------------|-----------|-----------|
| R '000 | | | | | | | |
| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | 5 782 | 9 644 | 9 644 | 8 599 | 13 677 | 14 132 | 14 519 |
| Infrastructure: Road transport - Total | 3 109 | 5 644 | 5 644 | 5 878 | 6 677 | 6 732 | 7 119 |
| <i>Roads, Pavements & Bridges</i> | 3 109 | 5 644 | 5 644 | 5 878 | 6 677 | 6 732 | 7 119 |
| Infrastructure: Electricity - Total | 2 673 | 4 000 | 4 000 | 2 721 | 6 000 | 6 400 | 6 400 |
| <i>Generation</i> | | | | | | | |
| <i>Transmission & Reticulation</i> | 2 673 | 4 000 | 4 000 | 2 721 | 6 000 | 6 400 | 6 400 |
| <i>Street Lighting</i> | | | | | | | |
| Infrastructure: Other - Total | | – | | – | 1 000 | 1 000 | 1 000 |
| <i>Waste Management</i> | | 0 | 0 | | 1 000 000 | 1 000 000 | 1 000 000 |
| Community - Total | 7 690 | 5 200 | 5 200 | 4 906 | 3 700 | 3 700 | 3 700 |
| Parks & gardens | | | | | 1 000 000 | 1 000 000 | 1 000 000 |
| Sports fields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | 4 028 | – | – | 84 | 2 700 000 | 2 700 000 | 2 700 000 |
| Libraries | | | | | | | |
| Recreational facilities | 3 662 | 5 200 | 5 200 | 4 821 | 0 | 0 | 0 |

| Capital Expenditure - New Assets Program* | | | | | | | |
|---|---------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| R '000 | | | | | | | |
| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Heritage assets - Total | 0 | – | | 7 603 | – | – | – |

APPENDICES

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Buildings | | | | 7 603 344 | | | |
| Other | 36 | | | | | | |
| | | | | | | | |
| Other assets | 97 | 2 870 | 770 | 168 | 250 | 264 | 278 |
| General vehicles | | 1 300 | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | 11 | | | 58 | | | |
| Computers - hardware/equipment | 0 | 1 370 | 750 | 110 | 90 | 95 | 100 |
| Furniture and other office equipment | 86 | 200 | 20 | – | 160 | 169 | 178 |
| | | | | | | | |
| Intangibles | 35 | – | | – | – | – | – |
| Computers - software & programming | 35 | | | | | | |
| Other (<i>list sub-class</i>) | | | | | | | |
| | | | | | | | |
| Total Capital Expenditure on new assets | 13 640 | 17 714 | 15 614 | 21 277 | 17 627 | 18 096 | 18 497 |

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

NOT APPLICABLE

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APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

| Capital Programme by Project: Year 0 | | | | | |
|--------------------------------------|-----------------|-------------------|--------|------------------------|-----------------------|
| | | | | | R' 000 |
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| | | | | | |
| Water | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| Sanitation/Sewerage | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| Electricity | | | | | |
| Bulk Electricity Upgrade | 1000 | 1000 | 995 | -1% | -1% |
| "Project B" | 0 | 0 | 0 | 0% | 0% |
| Housing | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| Refuse removal | | | | | |
| Landfill Site Repairs | 250000 | 203244 | 224560 | 0% | 0% |
| "Project B" | 0 | 0 | 0 | 0% | 0% |
| Stormwater | | | | | |
| A - Roads Construction | 12535 | 13794 | 9485 | -45% | -32% |
| "Project B" | 0 | 0 | 0 | 0% | 0% |
| Economic development | | | | | |
| LED Agriculture | 150000 | 120000 | 111188 | -8% | -35% |
| LED Tourism | 200000 | 250000 | 229558 | -9% | 13% |
| Sports, Arts & Culture | | | | | |
| Library project | 410000 | 410000 | 100269 | -309% | -309% |
| "Project B" | 0 | 0 | 0 | 0% | 0% |
| Environment | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| Health | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| Safety and Security | | | | | |
| "Project A" | 0 | 0 | 0 | 0% | 0% |
| ICT and Other | | | | | |
| IT Related Projects | 1000000 | 600000 | 266794 | -125% | -275% |
| Software Licencing | 400000 | 344311 | 344310 | 0% | -16% |
| | | | | | T N |

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

APPENDICES

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

| National and Provincial Outcomes for Local Government | | |
|---|--|--|
| Outcome/Output | Progress to date | Number or Percentage Achieved |
| Output: Improving access to basic services | Municipality's focus is on roads, electricity and public facilities. As per the performance report attached in this Annual Report, significant progress has been made. However, availability of budget to implement major projects remains a challenge. More funding will be required to meet municipality's service delivery objective. | 10,3 kms of gravel roads constructed at Icwili Village, Taiton & Taiwan 1 community Halls constructed at Mzwini Village in Mooiplas |
| Output: Implementation of the Community Work Programme | The municipality has created 550 CWP jobs for the 2016/17 financial year. | 550 jobs created |
| Output: Deepen democracy through a refined Ward Committee model | The Municipality is committed to deepening democracy within implementation of various programmes. These include implementation of Mayor's community participation programme, various stakeholder and community participation fora. Community based programmes are implemented at ward level. | Significant progress achieved |
| Output: Administrative and financial capability | The municipal audit has significantly improved over the past years. The 2012/13-Adverse, 2013/14-Disclaimer, 2014/15-Qualified and 2015/16 financial years' audit reports have been unqualified. A clean audit is now the focus of the municipality. | Unqualified audit opinion |

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VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.